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Altino Properties, Inc.
Documents Produced to the
U.S. Environmental Protection Agency
On April 24, 2008
Pursuant to the 104(e) Request

**Potentially Liable Person Search
For Quendall Terminals**

USEPA SF



1354233

**POTENTIALLY LIABLE PERSON SEARCH
FOR
QUENDALL TERMINALS
RENTON, WASHINGTON**

Contract No.: C0089007

Date: December 1990

**Report Prepared By:
ECOLOGY AND ENVIRONMENT, INC.**

**Submitted To:
WASHINGTON DEPARTMENT OF ECOLOGY
Toxics Cleanup Program**



ecology and environment, inc.

101 YESLER WAY, SEATTLE, WASHINGTON, 98104, TEL. 206/624-9537

International Specialists in the Environment

recycled paper

PROJECT NAME: POTENTIALLY LIABLE PERSON SEARCH FOR
QUENDALL TERMINALS, RENTON, WASHINGTON

CONTRACT No.: C0089007

DATE: DECEMBER 1990

ECOLOGY AND ENVIRONMENT, INC., SEATTLE

E & E PROJECT MANAGER:

Kenneth Stein

DATE: 12/28/90

ECOLOGY SITE COORDINATOR:

DATE: _____

ECOLOGY QA OFFICER:

DATE: _____

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Tank Farm Operators/Lessees

- A. Boeing
- B. Lidcoa Company
- C. Superior Refinery Company
- D. QED Corporation
- E. United Drain Oil, Inc.
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- I. Willamette Industries
- J. Turbo Energy Systems
- K. Northwest Services, Inc.
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Interview Notes

- N1. Personal Interview with Gail Colburn
- N2. Personal Interview with Robert Johnson
- N3. Telephone Interview with Ward Roberts
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II SUMMARY OF TASKS PERFORMED

1. INTRODUCTION

Pursuant to Washington Department of Ecology (Ecology) Contract Number C0089007, Ecology and Environment, Inc. (E & E), conducted a Potentially Liable Person (PLP) search for the Quendall Terminals site (Quendall) located in Renton, Washington. PLP is defined in RCW 70.105D.020(8) as "any person whom the department finds, based on credible evidence, to be liable under RCW 70.105.040." RCW 70.105.040 describes who may be held liable for releases of hazardous substances and includes property owners, operators, generators, transporters, and persons who arrange for the disposal of hazardous substances. Ecology defined the scope of the Quendall PLP search with the following specific objectives:

- o Identify those PLPs who used/leased the tanks at the Quendall site from the time Quendall Terminals, the current owner, purchased the property from Reilly Tar and Chemical Company (Reilly) in 1971 until the tanks were dismantled;
- o Determine the types of materials, quantities, and the length of time materials were stored in the tanks;
- o Describe spills or releases associated with tank farm operations and identify the constituents of concern;
- o Identify the nature of any fill material placed on the site; and
- o Identify PLP data gaps.

Ecology specified that PLP information was to be obtained from Ecology files, Quendall Terminals files, Barbee Mill files, and interviews with three past Quendall Terminals managers/operators: Robert Johnson, Donald Norman, and Ward Roberts. The remainder of this report is organized as follows:

- o Section 2 describes the site location and the tank farm;
- o Section 3 presents the tank farm operators/lessees in chronological order;
- o Section 4 describes waste management practices and the nature and extent of spills/releases;
- o Section 5 identifies PLP data gaps;
- o Appendix I is a compilation of supporting documentation organized into five categories: tank farm operators/lessees/; interview notes; site/tank farm description; waste management practices/spills/releases; financial statements; and
- o Appendix II provides a summary of the file review and interview tasks that E & E performed.

Where appropriate, statements made in the body of the report are followed by a reference to the Appendix I document that supports the statement.

2. SITE DESCRIPTION

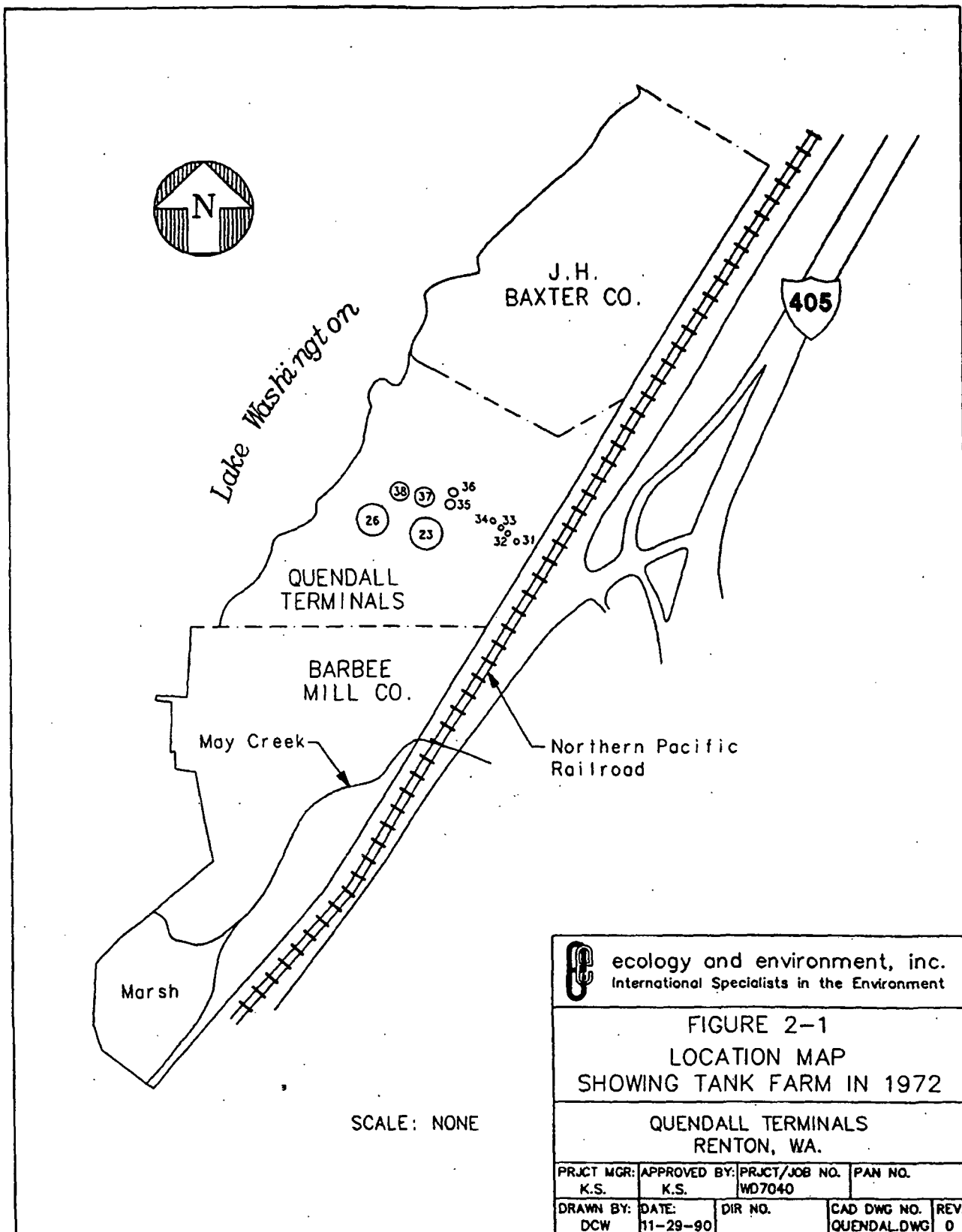
Quendall is a 25-acre site located on the southeast shore of Lake Washington, Township 24 North, Range 5 East (Figure 2-1). The mailing address is 45003 Lake Washington Boulevard North, Renton, Washington. The site is bounded by the Barbee Mill Company to the south, the J.H. Baxter Company to the north, Lake Washington to the west, and a Northern Pacific railroad line to the east. The site currently is used as a log sorting yard. A small office building is the only existing structure on-site.

When Quendall Terminals purchased the property from Reilly on June 15, 1971, there were 10 aboveground storage tanks on site (Figure 2-1):

- o Two 2-million gallon tanks numbered 23 and 26;
- o Two 1-million gallon tanks numbered 37 and 38;
- o Two 272,000-gallon tanks numbered 35 and 36; and
- o Four 20,000-gallon tanks numbered 31 through 34.

Interview notes and copies of file documentation that describe the tank farm are provided in Appendix I, documents N and O.

The four 20,000-gallon tanks were in poor condition with inadequate foundations and secondary containment when Quendall Terminals acquired the property (tank installation date unknown). A few of these tanks reportedly tipped over although no major spills resulted since the tanks were empty most of the time. These four tanks were dismantled and disposed of off site at an unknown location in 1974. The 2-million gallon tanks were installed in 1928, and the 1-million and 272,000-gallon tanks were installed in 1956. Secondary containment for these six tanks consisted of an earthen dike a few feet in height. These tanks were dismantled and sent to a disposal facility in Idaho in 1983. After the tanks were removed, Quendall Terminals placed approximately 3 feet of



fill material comprised of sawdust and dirt over most of the site. This fill material was obtained from a METRO sewer project at Coal Creek (N2). There are no records of any underground storage tanks at Quendall.

3. TANK FARM OPERATORS/LESSEES

The Quendall property was formerly owned by Reilly, who operated a petroleum product cracking facility on the site from 1916 until 1969. Coal tars were transported by barge from the Seattle Gas Company on Lake Union and other utilities and were distilled on-site into creosote, xylene, toluene, and other coal tar byproducts. These operations are the source of most of the contamination at Quendall (N3, N4).

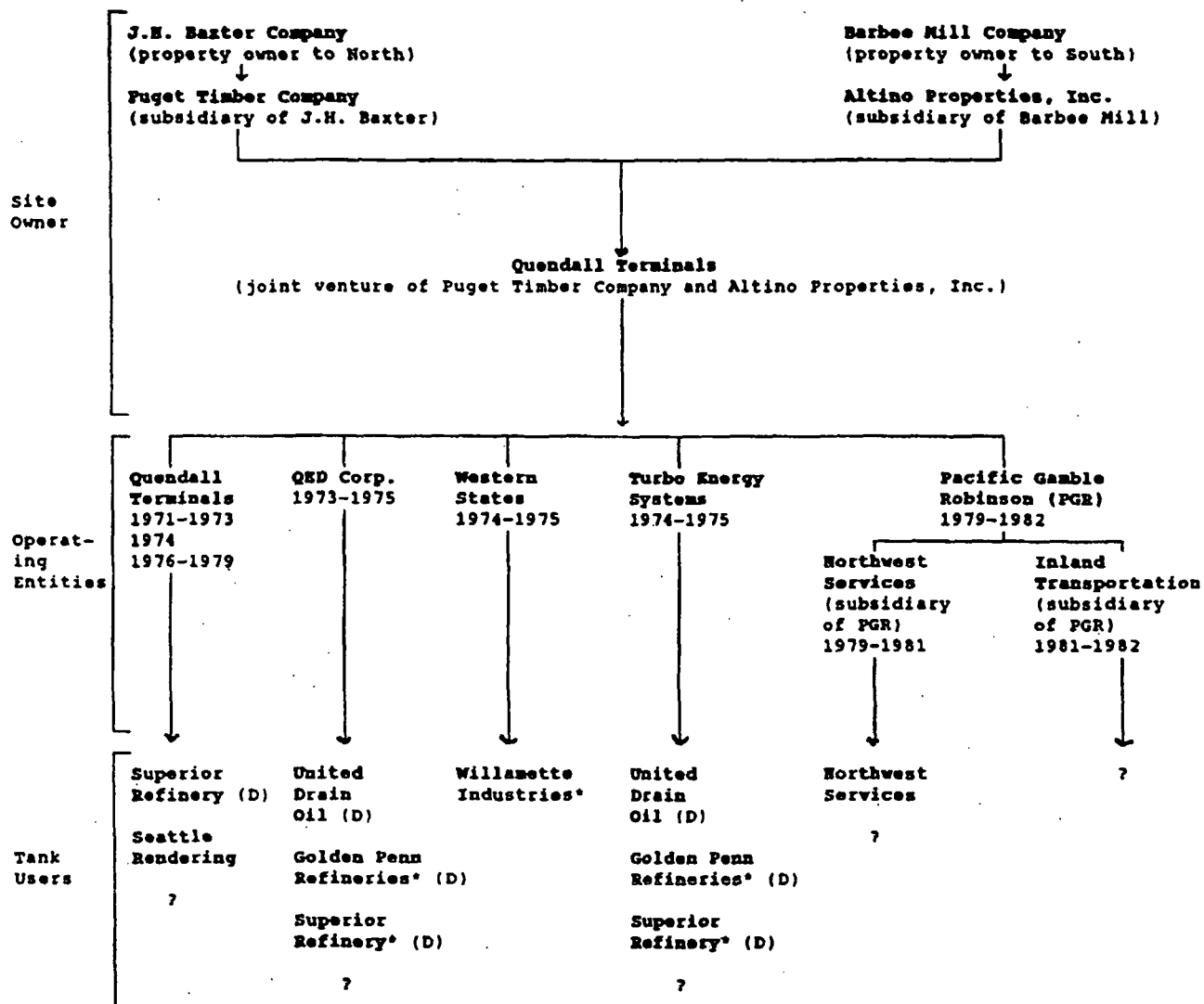
In 1970, Reilly leased the site to J.H. Baxter who, in turn, sub-leased the 1-million gallon and/or the 272,000-gallon tanks to Boeing and Lidcoa Company. Boeing stored Bunker C oil in the tanks from late 1970 through early 1971 (A3). In early 1971, Boeing emptied the tanks which were subsequently filled with used oil collected from area service stations by the Lidcoa Company (B1). The exact quantities of Bunker C oil and waste oil stored in the tanks are not known.

Quendall Terminals, a joint venture of Altino Properties, Inc., a subsidiary of the Barbee Mill Company (owner of property to the south), and Puget Timber Company, a subsidiary of J.H. Baxter and Company (owner of property to the north), acquired the site by real estate contract on June 15, 1971 (Q2) (Figure 3-1). The contract was for \$500,000; \$100,000 payable on June 15, 1971, and \$100,000 plus 5% interest payable each subsequent year until paid (Q2). Because the real property interest was not conveyed until 1975 when the Warranty Deed was executed, several agency documents refer to Quendall Terminals as a lessee from 1971 to 1975.

Between 1971 and 1983 (when the tank farm was dismantled), there were two tank farm managers employed by Quendall Terminals: Donald Norman from 1971 to 1978 (N4), and Bob Johnson from 1978 to 1983 (N2). While Mr. Norman and Mr. Johnson were the official Quendall Terminals managers, Ward Roberts was the primary day-to-day operator of the tank

Figure 3-1

TANK FARM OWNER/OPERATOR/USER ORGANIZATION CHART
QUENDALL TERMINALS SITE



? = Additional tank farm users unknown
 * = Not documented: hearsay only
 (D) = Allegedly associated with Wally Drexler

farm during this period of time. Mr. Roberts was employed by either Quendall Terminals or an independent operating entity during this timeframe (N3).

There were several operating entities other than Quendall Terminals that were responsible for the day-to-day operations of the tank farm, and numerous other companies that leased the tanks for storage purposes (Figure 3-1). However, information obtained from file searches and interviews identifying particular tank farm operators and lessees is somewhat sketchy. The files at Ecology, Quendall Terminals, and the Barbee Mill Company contain very little information on tank farm operations from 1971 to 1983. Lease agreements, invoices, and documentation of accounts receivable are, for the most part, nonexistent. Appendix I, documents A through N contain interview notes and copies of file documentation that do identify many of the tank farm operators and lessees. The following is a chronological summary of tank farm operator/lessee activities between 1971 and 1983 based on these interviews and file documents.

Superior Refinery: April 1972 - September 1972 (C)

A letter dated April 28, 1972, from Mr. Norman to the City of Renton identifies Superior Refinery as an existing tenant that used the tanks to store waste motor oil (C1). An internal Ecology memorandum dated September 1, 1972, indicates that Superior Refinery was leasing two tanks for oil storage (C2). Mr. Roberts stated that Superior Refinery leased tanks 35, 36, 37, and/or 38 directly from Quendall Terminals for drain oil storage (N3). Mr. Norman indicated that Superior Refinery was associated with Wally Drexler who owned several waste oil storage and recycling operations (N4).

Seattle Rendering: 1973 (N3, N4)

Mr. Roberts and Mr. Norman both stated that in 1973, at the request of King County, Quendall Terminals permitted Seattle Rendering to store tallow (animal lard) in one of the small tanks (N3, N4). The tallow was disposed of eventually but it is not known when or where.

QED Corporation: 1973 - 1974 (D)

The QED Corporation (QED) was an operating entity that leased the tank farm from Quendall Terminals from 1973 to 1974 (D4). QED was a small corporation established and financially backed by William Kemp, an ex-Weyerhaeuser Vice President in 1973. Mr. Kemp was the president of QED and Mr. Roberts became a principal employee (D1, N3). QED was essentially a used oil broker that subleased the tanks to several other companies. Mr. Roberts referred to QED as one of several "little fake companies" that had neither the money or the management capabilities to discharge their responsibilities (D5).

QED also leased an oil recycling facility in Tacoma from Time Oil (D1). With both the Quendall and Time Oil facilities, QED could offer customers both storage and recycling services. In the meantime, QED applied to Ecology for a permit to establish a waste oil recycling facility at Quendall (D1, N4). However, this on-site recycling facility never materialized. When QED's lease was terminated in 1974, Quendall Terminals became the operating entity and Mr. Roberts became a Quendall Terminals employee once again.

United Drain Oil, METRO, King County, Fort Lewis: 1973 - 1974 (E, F)

United Drain Oil was a primary user of the tank farm (tanks 35 through 38) in 1973 and 1974 when QED was the operating entity. A QED income and cash flow statement identifies United Drain Oil as a public carrier operating under authority of the Washington State Utilities and Transportation Commission and indicates that United Drain Oil stored all of its waste oil at Quendall beginning in January 1, 1973 (E1). United Drain Oil received much of its waste oil from METRO, King County, and Fort Lewis (F1, F2, F3). Mr. Roberts indicated that Mr. Drexler had some kind of relationship with United Drain Oil (N3).

Golden Penn Refineries: mid-1970s (G)

Mr. Norman and Mr. Roberts both identified Golden Penn Refineries as one of the waste oil recycling companies that stored waste oil at

Quendall during the mid-1970s (N3, N4). It was Mr. Roberts' understanding that Golden Penn was somehow associated with Mr. Drexler, United Drain Oil, and Superior Refinery. Mr. Roberts was not sure whether these were all separate companies or really the same company with different names. One Ecology inspection report indicates that Golden Penn Refineries had plans to move to the Quendall site after a fire had destroyed their Tacoma plant (G1).

Western States, Willamette Industries: 1974 to 1975 (H, I)

According to Mr. Roberts, Western States was another one of the "fake little companies" that acted as a middle-man tank farm operator (H1). In early 1974, after QED's lease was terminated, Quendall Terminals leased the two 2-million gallon tanks (23 and 26) to Western States (N3). Western States was essentially a one-man tank farm broker that subleased the tanks to Willamette Industries. Willamette Industries stored more than 4 million gallons of Bunker C crude oil in the tanks for approximately 18 months. This was the only time that the 2-million gallon tanks were ever used after Quendall Terminals purchased the property (N3).

Turbo Energy Systems: July 9, 1974 - December 1975 (J)

From July 9, 1974, to December 1975, Quendall Terminals leased the 1-million gallon and 272,000-gallon tanks to yet another middle-man operating entity called Turbo Energy Systems (J1, J2, J3). During this time period, Mr. Roberts became a Turbo employee. According to Mr. Roberts, Turbo was a struggling engineering consulting firm with no tank farm operations experience. Turbo subleased the tanks to various companies (i.e., United Drain Oil, Golden Penn Refineries, Superior Refineries). When Turbo's lease was terminated in December of 1975, Mr. Roberts left Quendall and did not return until 1979. Mr. Roberts was not aware of any substantial use of the tank farm in 1976, 1977, or 1978.

**Northwest Services, Inland Transportation, Pacific Gamble Robinson:
1979 - 1982 (K, L, M)**

From 1979 to 1982, the tanks were leased to two trucking firms: Northwest Services in 1979 (K1), and Inland Transportation from April 30, 1981, through May 1, 1982 (L1). Both of these firms were subsidiaries of Pacific Gamble Robinson (PGR) (M1, N3). During the term of Northwest Services' lease, Mr. Roberts was a Northwest Services Employee (Northwest Services was the operating entity), and the 1-million gallon and 272,000 gallon tanks were used to store diesel fuel. Mr. Roberts did not operate the tank farm during Inland Transportation's lease and could not remember whether Inland ever used the tanks (N3). Northwest Services was likely the last lessee to use the tank farm.

4. WASTE MANAGEMENT PRACTICES/SPILLS/RELEASES

Mr. Roberts, Mr. Norman, and Mr. Johnson all indicated that tank farm operations were generally sloppy and that the lack of good house-keeping practices resulted in frequent spills (N2, N3, N4). Waste oil, crude oil, and diesel often were spilled on the ground when materials were being transferred to and from the tanks (P2, P4, P6, P8) and tank bottoms/residues often were dumped on the ground when the tanks were being cleaned (P12). The quantities that were spilled are not documented and none of the people interviewed could say how much was released to the environment. Mr. Roberts indicated that the tanks probably leaked but he could not estimate how much stored material was lost to leakage. There are four agency inspection reports that identify releases from the tanks (P2, P6, P7, and P8).

In 1980, Quendall Terminals began making arrangements to dismantle the tanks and dispose of the remaining tank bottoms. One of the 2-million gallon tanks still contained approximately 10,000 cubic feet of solidified oil gas tar from Reilly operations (P10). Mr. Roberts analyzed the material and determined that it was not a Resource Conservation and Recovery Act (RCRA) hazardous waste (P10). Ecology analyzed the tank bottoms from tank 26 (one of the 2-million gallon tanks) for polycyclic aromatic hydrocarbons (PAHs) and found it to contain 4.2% (plus or minus 0.5%) PAHs (P11). The tanks were finally removed around 1983 under Mr. Johnson's supervision and the tank bottoms were sent to a disposal facility in Idaho (N2). Mr. Johnson could not remember the name of the disposal facility and the files did not contain any documentation confirming what was disposed of, who disposed of it, or exactly where it was disposed of.

Mr. Roberts and Mr. Norman both stated that there was no quality control over the waste oil, crude oil, and diesel that was stored on-

site after 1970. In addition to the constituents normally associated with petroleum products (i.e., benzene, toluene, and xylene), the waste oil that often was released to the surrounding soils could have been contaminated with polychlorinated biphenyls (PCBs) and chlorinated solvents since the service stations and other facilities that generated the waste oil may not have segregated solvents and PCB transformer oil from other waste oil (N3, N4).

While tank farm operations were notably sloppy resulting in significant releases of petroleum constituents and potentially significant releases of PCBs and solvent constituents, Mr. Roberts and Mr. Norman both stressed that any contamination from the tanks after 1970 is "inconsequential" compared to Reilly Tar and Chemical Company's contribution to site contamination, both in terms of quantity and in terms of the toxicity of the constituents involved (N3, N4).

5. DATA GAPS

As discussed in Section 3 of this report, there were many different companies that used the Quendall tank farm for storage purposes. This report identifies most of the PLPs associated with tank farm operations. However, due to the overall lack of documentation in the Ecology, Quendall Terminals, and Barbee Mill files regarding tank farm operations after 1971, and the inability of past site managers to remember all of the lessees, there are likely a few PLPs that are not included in this report. E & E has identified the following specific PLP data gaps:

1. There were no signed lease agreements in the files and very little documentation of accounts receivable and invoices. The files indicate that accounting information was computerized and, therefore, there may be some useful information stored on computer records. E & E was unable to locate hard copies of such records.
2. The relationship between some of the PLPs remains unclear. According to Mr. Roberts and Mr. Norman, some of the tank farm lessees had more than one name or were subsidiaries of a common parent corporation. Therefore, it is possible that some of the tank farm users identified in this report as separate entities could, as a practical matter, be considered one PLP. In particular, several of the lessees reportedly were associated with Mr. Drexler. Further inquiry into Mr. Drexler's operations may uncover more information about Quendall PLPs.
3. While documentation and interviews indicate that stored materials were limited to crude oil, diesel, and waste oil, the quantities stored are not known in most cases. However, Mr. Roberts did indicate that the tanks were rarely all in use and when they were in use, they were usually not full.

4. The quantities of materials discharged to the environment are not known. The quantities released can only be estimated based on knowing tank capacities, the condition of the tanks, the waste management practices described by the interviewees, and several agency inspection reports.
5. The exact quantities and ultimate disposition of tank bottoms upon removal of the tanks is not known although Mr. Johnson indicated that the tank bottoms were sent to a disposal facility in Idaho.

Appendix I

SUPPORTING DOCUMENTATION

Tank Farm Operators/Lessees	(A - M)
Interview Notes	(N1 - N4)
Site/Tank Farm Description	(O1 - O8)
Waste Management Practices/Spills/Releases	(P1 - P15)
Financial Statements	(Q1 - Q4)

**SUMMARY OF OPERATOR/LESSEE DOCUMENTATION
QUENDALL TERMINALS SITE
(approximate chronological order)**

Appendix I Document No.	Item	Obtained From	Description
Boeing - A*			
A1	2/19/71 letter, Baxter to Boeing	Boxes at Ecology: Don Norman's old files	Invoice for manpower for unloading barges and loading trucks.
A2	2/24/71 purchase order, Boeing to Baxter	Boxes at Ecology: Don Norman's old files	For services at the Boeing Reserve Fuel Storage Site, adjacent to Baxter, for unloading fuel oil barges and for preparation of site.
A3	4/21/71 internal memorandum, Ecology's Water Pollution Control Branch	Ecology files	Refers to Boeing's use of tanks for storage of Bunker C oil. Boeing has emptied tanks.
A4	4/26/71 purchase order, Boeing to Baxter	Boxes at Ecology: Don Norman's old files	PO--change order to Baxter, Baxter agreed to extend \$350 credit to Boeing on money owed for unloading barges.
A5	6/15/71 Baxter teletype, R.B. Mossman to Judy	Boxes at Ecology: Don Norman's old files	"Please follow up with Accounts Payable at Boeing regarding \$20,000 due us....Please teletype us promptly when you have received the check in order that we may make offsetting payment to Reilly."
A6	6/30/71 invoice, Lenihan et al. (attorneys) to Baxter	Boxes at Ecology: Don Norman's old files	Requesting reimbursement for labor etc. regarding Baxter-Boeing lease option work; 12/2/70 through 4/21/71.
N2	Interview - Robert Johnson		Boeing stored Bunker C or diesel in 1971/1972 during fuel shortage before Reilly sold property.
N3	Interview - Ward Roberts		Bunker C oil was stored for Boeing.
N4	Interview - Don Norman		Boeing was QT's first tenant--they were storing diesel in the newer tanks (35 through 38).

* J.H. Baxter leased the tank farm from Reilly Tar and Chemical Co., and Boeing and Lidcoa subleased from J.H. Baxter prior to Reilly's sale of property to Quendall Terminals in 1971.

QT = Quendall Terminals



February 9, 1971

The Boeing Co. CAG
P. O. Box 3707
Seattle, Washington 98124

Attn: Mr. Siska
Mail Stop 5E08

I N V O I C E

WAGE RATES FOR QUALIFIED MANPOWER UNLOADING BARGES, ASSISTING
EVANS HEATING, INC. FOR LOADING PLATFORM, PUMP, STEAM, AND
FUEL LINES FOR TRUCK LOADING.

49 HOURS	REGULAR TIME	@5.52/HOUR	\$270.48
36 HOURS	OVERTIME	@8.28/HOUR	<u>298.08</u>

TOTAL DUE.....\$568.56

YOUR PURCHASE ORDER NUMBER: Y-520017-9980M

PAYMENT DUE UPON RECEIPT OF THIS INVOICE.

Please remit to above address.


DALE O. SHUEY,
PLANT MANAGER

BOEING

A2

☒ Quick Acquisition Order
☐ Regular Purchase Order
☐ Change Order

No.

CHARGE AFFECTS

(b) (6)

121461 SUPPLIER CODE 12477 DATE

THE ENTITIES CODED AS FOLLOWS:

J. H. BAXTER CO.
 P.O. BOX 568
 BENTON, WASH 97055

1. PART NO. 2. QUANTITY 3. WORK ORDER NO.
 4. PART CODE 5. SCHEDULES 6. DESCRIPTION
 7. PRICE 8. CONTRACT NO. 9. SOURCE INSPECTIONS
 10. ROUTING 11. ORDER ITEM 12. INTERNAL PROCESSING

SHIP VIA: AIR MAIL (CARRIER'S DELIVERY SERVICE) FOB DESTINATION (UNLESS NOTED) PRT. ALLOW: CONTRACT NO. (UNLESS NOTED)
 SHIP TO: (CARRIER'S DELIVERY SERVICE) FOB DESTINATION (UNLESS NOTED) PRT. ALLOW: CONTRACT NO. (UNLESS NOTED)

SHIP TO: (CARRIER'S DELIVERY SERVICE) FOB DESTINATION (UNLESS NOTED) PRT. ALLOW: CONTRACT NO. (UNLESS NOTED)
 SHIP TO: (CARRIER'S DELIVERY SERVICE) FOB DESTINATION (UNLESS NOTED) PRT. ALLOW: CONTRACT NO. (UNLESS NOTED)

SHIP TO: (CARRIER'S DELIVERY SERVICE) FOB DESTINATION (UNLESS NOTED) PRT. ALLOW: CONTRACT NO. (UNLESS NOTED)
 SHIP TO: (CARRIER'S DELIVERY SERVICE) FOB DESTINATION (UNLESS NOTED) PRT. ALLOW: CONTRACT NO. (UNLESS NOTED)

LINE	MATERIAL CODE	QTY	UNIT	DESCRIPTION	UNIT PRICE
1		1	EA	SERVICES AT THE BOEING	568.56
				RESERVE FUEL STORAGE	
				SITE ADJACENT TO THE	
				J. H. BAXTER CO. FOR	
				UNLOADING FUEL OIL BARRS	
				AND FOR PREPARATION OF SITE	

SCHEM: ALL COMPLETED
 ALL INVOICES IN CONNECTION WITH ACTIVITY AGAINST
 THIS PURCHASE ORDER ARE TO BE SIGNED BY C. S. SARGENT,
 ORGANIZATION A-6601, MAIL STOP 5C-46, PHONE 931-2312.
 REF. LETTER DATED FEB. 9, 1971, DATED OF SHIPMENT TO D. CAIRNEY.

Notes of Form AD 4044D (Attached) (in your possession) apply to this order.

ADDRESS ALL CORRESPONDENCE TO: BUYER ORG. MAIL STOP AUTHORIZED APPROVAL
 A-5573 5E-04 J. H. Cairney

If Acknowledgment Copy is Attached Please Sign and Return Within 15 Days.

THE DATE TYPED IS THE DATE OF THE ORDER. SHIPMENTS TO LEAVE YOUR PLANT PER ITEM SCHEDULES, UNLESS OTHERWISE NOTED. IMMEDIATELY AFTER SHIPMENT IS MADE SEND VIA AIR MAIL, ATTENTION TRAFFIC UNIT COPY OF BILL OF LADING. THREE (3) COPIES OF ALL INVOICES SHALL BE SUBMITTED ONE COPY OF WHICH MUST BE CLEARLY IDENTIFIED AS "ORIGINAL". THIS PURCHASE ORDER NUMBER AND THE APPLICABLE ITEM NUMBER MUST APPEAR ON ALL INVOICES, PACKING LISTS, BILLS OF LADING AND ALL CORRESPONDENCE PERTAINING TO THIS ORDER. MAIL INVOICES FOR PAYMENT TO P.O. BOX 3707, SEATTLE, WASHINGTON 98124. ATTORNEY ACCOUNTS PAYABLE. ANY FEDERAL EXCISE TAX APPLICABLE TO THE BOEING COMPANY ON THE ARTICLES ORDERED MUST BE SHOWN AS SEPARATE ITEM ON INVOICES. IF A BOSA PRIORITY RATING APPEARS ON THIS ORDER SELLER AGREES TO FOLLOW THE PROVISIONS OF DMS REG. 1 AND ALL OTHER APPLICABLE REGULATIONS AND ORDERS OF BOSA IN OBTAINING CONTROLLED MATERIALS AND OTHER PRODUCTS AND MATERIALS NEEDED TO FILL THIS ORDER. PURCHASE ORDER SUBJECT TO TERMS AND CONDITIONS PRINTED ON REVERSE SIDE. HEREOF. CHANGE ORDERS SUBJECT TO TERMS AND CONDITIONS OF APPLICABLE PURCHASE ORDER. DO NOT INVOICE IF CHECK IS ATTACHED.

THIS ORDER IS BUYER'S OFFER TO SELLER AND ACCEPTANCE IS LIMITED TO ITS PROVISIONS WITHOUT ADDITIONS, DELETIONS, OR OTHER MODIFICATIONS. DELIVERY OF ANY GOODS BY SELLER SHALL CONCLUSIVELY EVIDENCE SUCH ACCEPTANCE.

THE BOEING COMPANY
 COMMERCIAL AIRPLANE DIVISION

Supplier Copy

AD 108C-R7

6-5500 17.14

MEMORANDUM

Department of Ecology

P. O. Box 829

OLYMPIA, WASHINGTON

98501

Water Pollution Control Branch

A3

Information
For Action
Permit
Other

Check

TO: Jerry Bollen, Mike Spurgin,
Charlie Rowe & Files

DATE: April 21, 1971

FROM: Bob McCormick

pm
SUBJECT: Reilly Tar & Chemical Corp
formerly located at
7441 Lake Wash. Blvd.,
Renton, Wash.

We have a complicated problem that we need assistance and legal advise on. Reilly Tar & Chemical Corp. were located on the east shore of Lake Washington south of Highway 10 for some 55 years. Their last permit ran from March 14, 1965 to March 14, 1971. It is expired now and the company has abandoned the operation and have no one in this area representing them at this time, however, the company still does own the property. On February 25, 1971, we received a letter from Jones, Gray, Bailey, and Olsen, attorney firm located at 1000 Norton Bldg., Seattle, Wash. They stated that the plant operations were being discontinued and would not be necessary to renew the permit and they were leasing the property to J. H. Baxter & Co. A copy of the letter is attached, and a copy of the last permit.

Several weeks ago we were contacted by a Mr. Don Norman, phone (b) (6) and he is at this time working to put in a large development involving approximately a mile of water front along the east side of Lake Washington. This property would include the former Reilly Tar property, J. H. Baxter property, Barbee Mill property. In his investigations, going over the property of Reilly Tar, he found that approximately five acres of the ground which is very poor ground, that is it is peat type of soil, is thoroughly saturated with coal tar residues at varying depths, and surface water is running across these deposits and going out into Lake Washington. We have not sampled these and from reading the permits, talking with people in this office, apparently no one had ever observed the real condition of this property. Mr. Norman, due to the lease arrangement or option arrangement, had Reilly Tar leave their storage tanks in tact on the site. Apparently they have some three to six million gallons of storage capacity available and we have recently found out that these tanks were used last winter for storing Bunker C oil for Boeing Company. Since that time Boeing has emptied the tanks and they are now being used by Lidcoa Company to store oils in which they pick up at service stations in the area. Mr. Norman was concerned about the pollution of the area and he did have dikes placed around the tanks, prior to starting these operations. Previously these tanks had no protection at all around them and oil spills and so forth thoroughly saturated the ground in the entire area.

Mr. Norman is trying to put this package together for a big development and did recognize the potential pollution problems and has contacted just about every agency in the area concerning these problems and wants to know what our requirements will be if he develops the property.

Memo: J. Bollen, M. Spurgin,
C. Rowe & Files
From: Bob McCormick
Subj.: Reilly Tar & Chemical Corp
Date: April 21, 1971

At this time I can't tell whether he wants us to go after Reilly Tar and force them to come back and clean up or whether he really is asking advise as to what to do and methods to proceed in developing the property without contaminating the lake. Mr. Norman has asked if he could come in and drive tight sheet piling along the shore to out about a ten foot depth along the front of most of this property some 1500 feet. The thinking is that tight sheet piling would then have to be securely anchored and driven to sufficient depths to hold the fill placed behind it. Then he would want to fill behind this with an impervious layer, probably both sides of the sheet piling, so that this unstable area behind it could be filled, recognizing that he would probably have to take the surface water and the contaminated water and put in a treatment facility and pump it to Metro, but his main idea was to get this property stabilized and sealed off to keep the surface water from draining off into the lake.

I have seen horrible messes before but never seen anything like this. Stew and I waded through this thing about knee deep. It is just unbelievable that such a mess could have been created in this area without being observed by someone from this office or having received complaints from the general public.

Mr. Norman also found, in checking the history of the site, that there were some barge loads of coal tar material which were spilled in the lake at the pier and from our experience with some of these deposits in Lake Union, this material retains its original identity and will be there forever more unless it is removed because it does not seem to deteriorate. There has been no testing done yet to determine other spills which might have occurred from the shore side areas but Mr. Norman stated that he would like to proceed with this project and the first order of business would be to do some sampling to determine the feasibility of placing the sheet piling in, but he also recognizes a hornets nest which could be unleashed when he puts in an application like this since it would be in direct violation of the requirements of the Chelan Case, but he appears to be conscientious and trying to do what is probably right and necessary to do in order to solve this problem.

My whole point of this long drawn-out memo is to see if we can force Reilly Tar to come back in a clean up that mess which they left. Mr. Norman seemed to think that we would be involved in a big legal battle and the cost of clean up would probably exceed the value of the property and the company would probably let the property go for taxes rather than attempt to clean it up.

The present day market value this property is probably worth better than half a million dollars easily if it were in good condition. I am worried about the statute of limitations and just how much more information Charlie Roe might need before he would be willing or want us to make any moves to get the situation corrected. I feel that we need to be together on this and take the right approach if we are going to try to force Reilly Tar to clean the property up. Reilly Tar's address is: Mr. Peter Reilly, President, Reilly Tar & Chemical Co., 1615 Merchants Bank Bldg., Indiannopolis, Indiana, 46204.

If Acknowledgment Copy is Attached Please Sign and Return Within 15 Days.

THIS ORDER IS NOT AN OFFER TO SELLER
AND ACCEPTANCE IS LIMITED TO ITS PRO-
VISIONS WITHOUT ADDITIONS, DELETIONS, OR
OTHER MODIFICATIONS. DELIVERY OF ANY
GOODS BY SELLER SHALL CONCLUSIVELY
EVIDENCE SUCH ACCEPTANCE.

Supplier Copy

6/15/71

9:10 A

A5

J H BAXTER REN

JUDY

PLS FOLLOW UP WITH ACCOUNTS PAYABLE AT BOEING RE \$20,000 DUE US.
IF ACCOUNTS PAYABLE IS NOT AWARE OF IT, STU SARGENT HAS APPROVED FOR
PAYMENT. PLS TELETYPE US PROMPTLY WHEN YOU HAVE RECEIVED THE
CHECK IN ORDER THAT WE MAY MAKE OFFSETTING PAYMENT TO REILLY.
R B MOSSMAN

X

LENIHAN, IVERS, JENSEN & MCATEER
ATTORNEYS AT LAW
1114 NORTON BUILDING
SEATTLE 98104
624-4212

J. H. Baxter & Co.
1700 South El Camino Real
San Mateo, California 94402

June 30, 1971

FOR PROFESSIONAL SERVICES RENDERED

Modification of billing of June 15, 1971 in re Baxter-Reilly
per attached statement of services rendered \$ 425.00

Disbursements:

12/3/70	Xerox copies of Baxter-Boeing option & Lease transaction	21.10	
1/12/71	Legal Messenger Service, delivery charge re lease to Boeing	12.00	
3/4/71	Xerox copies	.40	
3/31/71	Pacific N. W. Bell	4.62	
3/31/71	Xerox copies	2.90	
6/30/71	Pacific N. W. Bell	13.04	
			<u>56.54</u>
			\$ 481.54

*This revision was made
pursuant to instruction of Don Norman
to transfer \$175 of time to the Port & Seaside
account. JCH*

J. H. Baxter & Co.
Statement - Page Two
June 30, 1971

ITEMIZED STATEMENT OF SERVICES PERFORMED:

12/2/70	Telephone conference Norman re lease possibility Boeing
12/3/70	Telephone conference Norman, Mossman, draft lease for Boeing
12/4/70	Two telephone conferences Norman, telephone conference Brandzel, revisions to Lease
12/7/70	Conference Norman, three telephone conferences Norman, two telephone conferences Brandzel, review Mossman's letter re extensions of lease
12/8/70	Telephone conferences Norman, Mossman and Brandzel; conference Brandzel
12/9/70	Revisions to agreements Boeing and Reilly; office conference Norman and Brandzel
12/10/70	Telephone conference Brandzel, final draft
12/11/71	Transmittal letter and completing exhibits
12/14/70	Two telephone conferences Norman re status and title insurance
12/17/70	Trip to title insurance company and order out title policy
12/18/70	Telephone conference Norman re lease deficiencies, confirm title order
1/4/71	Review title report, letter to Mossman and Brandzel
1/8/71	Letter re title insurance
2/2/71	Telephone conference Norman
3/2/71	Advise Norman re legal effect of restriction as to utilization of Lake Washington for petroleum shipping
4/5/71	Telephone conference Norman re nuisance liability of preceding owner and status
4/21/71	Telephone conference Norman re status

**SUMMARY OF OPERATOR/LESSEE DOCUMENTATION
QUENDALL TERMINALS SITE
(approximate chronological order)**

Appendix I Document No.	Item	Obtained From	Description
<u>Lidcoa - B*</u>			
B1	4/21/71 internal Memorandum, Ecology's Water Pollution Control Branch		Tanks are being used by Lidcoa to store service-station oils.
N3	Interview - Ward Roberts		Lidcoa and Superior Refinery had common stock ownership.
N4	Interview - Don Norman		Lidcoa is associated with Wally Drexler.

* J.H. Baxter leased the tank farm from Reilly Tar and Chemical Co. and Boeing and Lidcoa subleased from J.H. Baxter prior to Reilly's sale of property to Quendall Terminals in 1971.

QT = Quendall Terminals

MEMORANDUM
Department of Ecology
P. O. Box 829
OLYMPIA, WASHINGTON
98501

B1

Information
For Action
Permit
Other

Check

Water Pollution Control Branch

TO: Jerry Bollen, Mike Spurgin,
Charlie Rowe & Files

DATE: April 21, 1971

FROM: Bob McCormick

pm
SUBJECT: Reilly Tar & Chemical Corp.
formerly located at
7441 Lake Wash. Blvd.,
Renton, Wash.

We have a complicated problem that we need assistance and legal advise on. Reilly Tar & Chemical Corp. were located on the east shore of Lake Washington south of Highway 10 for some 55 years. Their last permit ran from March 14, 1965 to March 14, 1971. It is expired now and the company has abandoned the operation and have no one in this area representing them at this time, however, the company still does own the property. On February 25, 1971, we received a letter from Jones, Gray, Bailey, and Olsen, attorney firm located at 1000 Norton Bldg., Seattle, Wash. They stated that the plant operations were being discontinued and would not be necessary to renew the permit and they were leasing the property to J. H. Baxter & Co. A copy of the letter is attached, and a copy of the last permit.

Several weeks ago we were contacted by a Mr. Don Norman, phone (b) (6) and he is at this time working to put in a large development involving approximately a mile of water front along the east side of Lake Washington. This property would include the former Reilly Tar property, J. H. Baxter property, Barbee Mill property. In his investigations, going over the property of Reilly Tar, he found that approximately five acres of the ground which is very poor ground, that is it is peat type of soil, is thoroughly saturated with coal tar residues at varying depths, and surface water is running across these deposits and going out into Lake Washington. We have not sampled these and from reading the permits, talking with people in this office, apparently no one had ever observed the real condition of this property. Mr. Norman, due to the lease arrangement or option arrangement, had Reilly Tar leave their storage tanks in tact on the site. Apparently they have some three to six million gallons of storage capacity available and we have recently found out that these tanks were used last winter for storing Bunker C oil for Boeing Company. Since that time Boeing has emptied the tanks and they are now being used by Lidcoa Company to store oils in which they pick up at service stations in the area. Mr. Norman was concerned about the pollution of the area and he did have dikes placed around the tanks, prior to starting these operations. Previously these tanks had no protection at all around them and oil spills and so forth thoroughly saturated the ground in the entire area.

Mr. Norman is trying to put this package together for a big development and did recognize the potential pollution problems and has contacted just about every agency in the area concerning these problems and wants to know what our requirements will be if he develops the property.

- 2 -

Memo: J. Bollen, M. Spurgin,
C. Rowe & Files
From: Bob McCormick
Subj.: Reilly Tar & Chemical Corp
Date: April 21, 1971

At this time I can't tell whether he wants us to go after Reilly Tar and force them to come back and clean up or whether he really is asking advise as to what to do and methods to proceed in developing the property without contaminating the lake. Mr. Norman has asked if he could come in and drive tight sheet piling along the shore to out about a ten foot depth along the front of most of this property some 1500 feet. The thinking is that tight sheet piling would then have to be securely anchored and driven to sufficient depths to hold the fill placed behind it. Then he would want to fill behind this with an impervious layer, probably both sides of the sheet piling, so that this unstable area behind it could be filled, recognizing that he would probably have to take the surface water and the contaminated water and put in a treatment facility and pump it to Metro, but his main idea was to get this property stabilized and sealed off to keep the surface water from draining off into the lake.

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**SUMMARY OF OPERATOR/LESSEE DOCUMENTATION
QUENDALL TERMINALS SITE
(approximate chronological order)**

Appendix I Document No.	Item	Obtained From	Description
<u>Superior Refinery</u> - C			
C1	4/28/72 letter, QT to City of Renton	Boxes at Ecology: Don Norman's old files	Superior, existing QT tenant, recycles waste motor oil--would like to move additional processing work to QT.
C2	9/1/72 internal memorandum, Ecology	Ecology files	Two tanks are being leased to Superior Refinery for oil storage.
N2	Interview - Robert Johnson		Superior Refinery stored used oil from gas stations.
N3	Interview - Ward Roberts		QT leased directly to Superior (newer tanks [35, 36, 37, and/or 38]) for drain oil storage.
N4	Interview - Don Norman		Superior Refinery stored used oil - associated with Wally Drexler.

QT = Quendall Terminals

April 28, 1972

City of Renton
Municipal Building
Renton, Washington 98055

Attention: Mr. Lyman Houk,
Engineering Department

Gentlemen:

On our site, we have an existing tenant, Superior Refinery Co. This firm recycles waste motor oil and is the principal firm performing this function in the State. They are, at present, also processing at another location which is threatened with closure for lack of proper sewerage facilities. This would effect curtailment of all operations and layoff of 25 employees.

There is no prospect of adequate sewerage at the other location in the foreseeable future. If assurance for sewerage as proposed for this site can be given within the next 30 days and calling for availability by November 1, a new plant can be constructed tripling present capacities and doubling employment without layoffs.

The immediate requirement for a sewer is absolute, however, and layoffs are nearly a certainty without the proposed facilities.

Sincerely,

Donald O. Norman

DON:cs

MEMORANDUM
Department of Ecology C2

Information
For Action
Permit
Other

Check

TO: Mike Spurgin, Jerry Bollen,
Robert McCormick & Files

DATE: September 1, 1972

FROM: Thomas J. McCann TJM

SUBJECT: REILLY TAR & CHEMICAL CORPORATION, LAKE WASHINGTON SITE

Bob McCormick, Warren Montgomery and I visited the site of Reilly Tar & Chemical Corporation's abandoned creosote plant on the east shore of Lake Washington today. Boise Cascade and J.H. Baxter hold an option to purchase the property and are using the site for disposal of bark and shavings and lease two (2) of the tanks to Superior Refinery for storage of oil. The lagoon formerly used by Reilly Tar & Chemical Corporation to dispose of oily sludge has been covered with cedar bark and shavings and the activity of heavy equipment apparently displaced the sludge from the lagoon. A ditch and pond have been dug to intercept the viscous material, but the light ends apparently percolate through the soil to the lake shallows. As we walked on the shaky pier, we could see oil rising from the lake bottom. The current activities of Boise Cascade and J.H. Baxter are probably the cause of the present problems at the site, but Reilly Tar & Chemical Corporation is the owner of the property and the oily waste. It is recommended that enforcement action be taken against Reilly Tar & Chemical Corporation.

Reilly Tar & Chemical Corporation
11 South Meridian Street
Indianapolis, Indiana 46204

TJM:11

9-5-72 dt

**SUMMARY OF OPERATOR/LESSEE DOCUMENTATION
QUENDALL TERMINALS SITE
(approximate chronological order)**

Appendix I Document No.	Item	Obtained From	Description
<u>QED Corp. - D</u>			
D1	6/5/73 letter, QED to Ecology	Ecology files	"Present facilities comprise an oil storage area in Renton and a refinery in Tacoma, both leased by QT to QED Corporation, which is the operating entity."
D2	Document, "QED Income and Cash Flow, 1973-1983"	QT files	"QED is their [United Drain Oil's] sole consignee and has been receiving oil at QT since January 1, 1973."
D3	No date, lease guarantee application to Small Business Administration	QT files	Lists Lessee as QED Corporation, United Drain Oil as potential Business Supplier, and Tine Oil, U.S. Oil, and Union Oil as potential Major Customers. Input parameters listed as lube oil, asphalt flux oil, and distillate fuel and cutter stock. Small Business Administration lease guarantee never granted.
D4	3/73, unsigned lease agreement- QT to QED	QT files	Blank lease form for 10 years "commencing on completion of improvements....It shall be a condition precedent of this lease that the SBA guarantee the obligations of lessee..."
D5	2/7/79 letter, Ward Roberts to Don Norman	Boxes at Ecology: Don Norman's old files	"The operating companies act as filters...this was the essential nature of your arrangements with QED, Turbo, and Western States. The difficulty was that none of these little fake companies had either the money or the management to discharge their responsibilities."
N3	Interview - Ward Roberts		QED was middle-man operating entity in 1973 and 1974. Roberts was QED employee. Kemp, an ex-Weyerhaeuser VP, was president of QED.
N4	Interview - Don Norman		QED originally set up to be a storage and recycling facility. Recycling facility never materialized.

QT = Quendall Terminals

Bob McComick



TAM

D1

Post Office Box 1004 • Renton, Washington 98055 • Telephone: 271-1540

June 5, 1973

Mr. John A. Biggs, Director
Department of Ecology
P. O. Box 829
Olympia, Washington 98501

Dear Mr. Biggs:

Application has been made through your Northwest Region office for a comprehensive, long-term waste discharge permit for the waste oil storage and recycling facilities of Quendall Terminals in Renton, Washington. This application is being made pursuant to the intent of the Washington Environmental Quality Act of 1970.

The present facilities comprise an oil storage area in Renton and a refinery in Tacoma both leased by Quendall Terminals to Q.E.D. Corporation which is the operating entity. Upon completion of the planned modifications we will be capable of recycling the total waste lubricating oil volume generated in the State of Washington. The combined operations represent an investment in excess of two million dollars and will have all known and reasonable methods of pollution control necessary to meet the environmental and economic needs of the area. We also are carrying out a program of pollution abatement and site improvement designed to upgrade the Renton plant site as rapidly as possible. This site is now severely impacted by aromatic hydrocarbon contamination resulting from fifty-five years of refinery operation.

As a former Vice President and Manager of the Paper Division of Weyerhaeuser Co. (retired), I have been aware of the major accomplishment represented by the "Master Environmental Authorization Program" - MEAP - recently completed by your department. Merrill Robison has spoken very highly of the cooperative effort which made this possible.

Our company Q.E.D. Corporation and its associate, Quendall Terminals, has been engaged in an in-depth study of the waste oil management problem from generation to re-use for a period of over two years. Our people have worked with every agency involved at the State and Federal level as well as concerned citizen groups, to develop the best program covering the overall subject of waste-oil management.

Page 2
June 5, 1973
Department of Ecology

Among those vitally involved have been:

Avery Garrett, Mayor of Renton, who was the prime mover in obtaining Federal funds for a new industrial sewer line to serve the Quendall Terminal site in conjunction with a "Jobs Now" program assurance based on the Q.E.D. Corp. operation.

Dr. Stanley Greenfield, Director of Research and Development Environmental Protection Agency, Arlington Va. who has been a major factor in helping us to coordinate our efforts with national programs.

Bob Lynette, Bill Captain of Oil Legislation, Washington Environmental Council. He has given substantial personal guidance in helping form our project to date.

Bob McCormick, Department of Ecology, Washington Northwest Region Manager who is our source of information and assistance in coordinating our program with the State.

It appears to us that the MEAP approach offers an effective practical solution to a complicated problem involving as it does the management of a potentially valuable resource. The participation of the Department of Ecology is essential in coordinating this effort because the scope of our activities encompasses the entire State of Washington as well as potentially Portland, Oregon and Vancouver, B.C.

The urgency of this program is self-evident and we look forward to working promptly with your department in every way to expedite issuance of the permit.

Sincerely,



President

cc:
Bob McCormick, DOE
Glean Grace, DOE
Merrill Robison, Weyerhaeuser Co.

CH₂M Hill

D2

Quendall

Q.E.D. INCOME AND CASH FLOW

1973-1983



D3

SMALL BUSINESS ADMINISTRATION
APPLICATION FOR LEASE GUARANTEE
PART I - LESSEE

1. TWO copies of Part I of this application signed by Applicant-Lessee along with TWO of each of the following documents and exhibits must be submitted. Omission of any item will result in delay of processing until the item is received. (Use separate sheets if more space is needed.)

- ☒ 1. Balance Sheets and Profit & Loss statements for the past three (3) fiscal years.
- ☒ 2. Interim Balance Sheet and Profit & Loss statements not more than sixty (60) days old.
- ☒ 3. Pro Forma Balance Sheet at time of opening at New Location including provision for lease guarantee premium and rental escrow, (if any).
- ☒ 4. Projected Profit and Loss Statement for First Year operation.
- ☒ 5. Current personal Balance Sheet(s) of Principal(s) and proposed Guarantor(s).
- ☒ 6. Current Balance Sheet(s) and Last Profit & Loss statement(s) on all affiliates indicating relationship to applicant.
- ☒ 7. A brief history of the lessee business, including type of business, date established, ownership, affiliates, number of employees now and anticipated at opening in new location.
- ☒ 8. A brief history of management background and experience.

2. Lessee(s): Name: Q.E.D. Corp.

SIC No(s): _____

Address: 4503 Lake Wash. Blvd. No., Renton, Wash.

ZIP Code 98055

☒ Corporation ☐ Partnership ☐ Ltd. Partnership ☐ Proprietorship

Telephones: Business, AC 206 271-1541

Home, AC 206 206/432-9756

3. Guarantor(s),

(if any)

Name(s): W. W. Roberts
22114 S.E. Bain Rd.

G. W. Drexler
7506 NE 169th
Bothell, Wa. 98011

William S. Kemp
2500 Canterbury Lane
Seattle, Wa. 98102

Address(es): Maple Valley, Wa

Relationship to Applicant (Relative, Stockholder) 98038

4. Address of premise to be leased (Street, City, State and ZIP Code):

4503 Lake Washington Blvd. No., Renton 98055

Shopping Center? Name _____

5. Ownership: Furnish the following information for a single proprietor, all partners, all corporate officers and directors, and all holders of 20% or more corporate stock. (Use separate sheet if necessary)

	A	B	C
a. First, Middle & Last Name in full:	Walter Ward Roberts	George Wellington Drexler	William S. Kemp
b. Residence Address: (ZIP Code)	(above)	(above)	(above)
c. Date of Birth:	9/14/20	11/08/18	11/15/15
d. Place of Birth:	Seattle	Hill City, Minn.	Boston
e. U.S. Citizen?	Yes	Yes	Yes
f. % of Ownership:	22	22	41
g. Office/Position:			see also attached note 1

6. References of Lessee (List Name, Position and Address):

a. Banking (indicate name or contact officer) None Yet Avail.

b. Business Suppliers (3 largest accounts) United Drain Oil Inc.

c. Major Customers (3 Largest; Show % of gross business obtained from each)

Time Oil Co. - See Appendix A-1

U.S. Oil - See Appendix A-1

Union Oil Co. - See Appendix A-1

7. Who will pay lease insurance premium: ☒ Lessee ☐ Lessor

8. Does a blood or contractual relationship exist between stockholders, directors, or officers of Lessee or Lessor?

☒ Yes ☐ No (if "Yes" explain on separate sheet.)

See Note 1

9. Does lessor have financial interest in applicant lessee's business other than this lease

☐ Yes ☐ No (if "Yes" explain on separate sheet.)

See Note 1

10. Has lessee ever been more than 1 month in default or breached a lease or been evicted within the past 5 Years?

☐ Yes ☒ No (if "Yes" explain on separate sheet.)

11. AGREEMENT OF NONEMPLOYMENT OF SBA PERSONNEL

In consideration of the issuance of the lease guarantee applied for in this application, applicant-lessee hereby agrees that for a period of 2 years after the effective date of the lease guarantee, applicant-lessee will not employ, or tender any office or employment to, or retain for professional services, any person who, on the effective date of such lease guarantee or within one year prior to such date, (a) shall have served as an officer, attorney, agent, or employee of SBA and (b) as such, shall have occupied a position or engaged in activities which SBA shall have determined, or may determine, to involve discretion with respect to the granting of assistance under any laws administered by Small Business Administration or said laws as may be amended from time to time.

12. Application charge \$ 2,000 is enclosed representing 5 percent of the aggregate premium or \$300.00, whichever is the greater.

13. The undersigned applicant permits SBA to release any or all information in this application or that developed by SBA to any insurance company participating with SBA, unless such permission is withheld by checking the following box.

☐

14. The undersigned applicant agrees that this application is made pursuant to Title IV of the Small Business Investment Act of 1958, as amended, 15 U.S.C. 6921 and Title 13, Part 106, Code of Federal Regulations and that the cited law and regulations shall control transactions between the insurer and the applicant, and certifies that:

a. All information contained in this application and in the documents attached hereto are true and correct to the best knowledge of the applicant and are submitted for the purpose of inducing SBA to guarantee to the lessor(s) rental payments due or portions thereof pursuant to its lease, and further that lessee(s) would be unable to obtain the lease without a lease guarantee and that a private lease guarantee meeting the requirements of the lessee(s) is not available on reasonable terms.

b. No employee of the SBA or any member of SBA advisory board who are related by blood, marriage or adoption, have or have had any past, direct or indirect, financial interest in or in association with, the applicant, or any of its partners, officers, directors or principal stockholders (such interest to include any direct or indirect financial interest in any other business entity or enterprise.)

Dated at _____, on _____, 19____.
(City and State)

(Individual, general partner, trade name, or corporation)

By _____

Title _____

Attest: _____
(Title)

Whoever makes any statement knowing it to be false for the purpose of obtaining for himself or for an applicant any lease guarantee or for the purpose of influencing in any way the action of SBA, or for the purpose of obtaining a lease guarantee under the Small Business Investment Act, as amended, shall be punishable under Section 16(a) of the Small Business Act, as amended, by a fine of not more than \$5,000 or by imprisonment for not more than two years, or both.

EXHIBIT SUMMARY PART I

- Exhibit 1: The proposed is a new entity. Moriarty and Drexler were in management positions of a facility processing the same raw material, Superior Refineries Inc. Superior operating statements are available for the years 1970, 1971, and 1972. Neither Drexler nor Moriarty assisted in their preparation nor were they called upon to approve them. In fact, they cannot reconcile these data with facts of their own knowledge.
- Exhibit 2: Interim Statements, see above.
- Exhibit 3: Pro Forma Bal Sheet Opening 1/01/74
* (See computer output Appendix A3)
- Exhibit 4: Projected Profit and Loss Year 1974
* (See computer output Appendix A3)
- Exhibit 5: Combined Net worth of Guarantors shows net worth in excess of \$100,000. Assets primarily Cash Securities and Real Estate. (See Appendix G)
- Exhibit 6: There are no affiliates. Drexler, however, is a minority stockholder in a trucking company with whom subject will contract to transport products (see Exhibit 1, Appendix 5)
- Exhibit 7: Oil recovery and rerefining as an industry is in decline for three principal reasons (a) environmental restrictions on process emissions and the resulting cost of correction, (b) change in product specification and resulting costs of correction, (c) changes in distribution patterns from service stations. The typical rerefiner has neither the will nor the way to respond to these changes and this would apply to the only one remaining in the State. At the same time demand for the disposal service and the demand for refined products has increased dramatically. This is the result of environmental regulations on disposal and the increasing shortage of virgin product. The subject's principals are the only remaining management team in the State with the experience, competence, a feasible long term program, and ability to start immediately. This section includes:
- (a) A.P.I. Industry Survey Exhibit 3
 - (b) Local Background see Appendix 5, Exhibit I
 - (c) Proposed operating details see Appendix A, Part I
 - (d) Management Background see personnel

Exhibit 8 - see Personnel



SMALL BUSINESS ADMINISTRATION
APPLICATION FOR LEASE GUARANTEE
PART II - LESSOR

TWO copies of Part II of this application signed by Applicant-Lessor along with TWO copies of each of the following documents and exhibits must be submitted. Omission of any item will result in delay of processing until the item is received. (Use separate sheets if more space is needed.)

- ☒ 1. Copy of lease or proposed lease to be guaranteed.
- ☒ 2. Copy of ground lease, if any.
- ☒ 3. Fair market rental value appraisal of the premises to be leased which must include a description of location, improvements, feasibility of business, rent comparables and other relevant market data.
- ☒ 4. If proposed construction, plans and specifications.
- ☒ 5. If proposed construction, contractor's bids or itemized cost estimates.
- ☒ 6. Scaled plot plan locating streets, site, improvements, ingress and egress points and parking areas.
- ☒ 7. Available evidence of conformance to federal, state and local regulations, codes and ordinances.
- ☒ 8. Dated and captioned photographs of premises to be leased, improvements, surrounding area, streets and highways.
- ☒ 9. City and neighborhood maps showing location of premises to be leased, rent comparables, and competitive establishments.
- ☒ 10. Feasibility study, including market data on trade area and description of neighborhood. (Required only when proposed development involves 3 or more leases of premises.)
- ☒ 11. A sketched land use map of the neighborhood identifying the type of use (men's clothing store, supermarket, service station, single-family house, machine shop, vacant) on each lot.
- ☒ 12. Chattels - value and description of furnishings and equipment to be installed by lessor of premises to be leased.
- ☒ 13. List of tenants or types of other tenants anticipated.
- ☒ 14. If existing building, center or complex, submit history and background, for past 5 years including rents, description of past tenants of premises to be leased, and reason for termination of these tenancies.
- ☒ 15. Current commercial credit report on prospective lessee(s).

1. Name of lessor(s): <u>Quendall Terminals, a J.V.</u>		2. Present mailing address (Street, City, State & ZIP): <u>P.O. Box 477, Renton, Wa 98055</u>	
Telephone No. <u>(206) 271-1570</u> (Area Code)			
3. Ownership: Furnish the following information for a single proprietor, all partners, all corporate officers and directors and all holders of 20% or more corporate stock. (Use separate sheets if necessary.)			
a. First, Middle and Last Name IN FULL	A <u>Altino Properties Inc.</u>	B <u>Puget Timber Company</u>	C <u></u>
b. Residence Address:	<u>Box 359</u> <u>Renton, Wa. 98055</u>	<u>1700 So. El Camino Real</u> <u>San Mateo, Cal.</u>	
c. Date of Birth:	<u>- - -</u>	<u>- - -</u>	
d. Place of Birth:	<u>- - -</u>	<u>- - -</u>	
e. XXXXXX	<u>Washington Corp.</u>	<u>Washington Corp.</u>	
f. % of Ownership:	<u>50%</u>	<u>50%</u>	
g. Office Held:			
4. Facts pertaining to property of which premises to be leased is a part:			
a. Address (Street, City, State & ZIP Code): <u>4503 Lake Washington Blvd. North</u> <u>Renton, Washington</u>		b. Fronting on <input type="checkbox"/> North <input type="checkbox"/> East <input type="checkbox"/> South <input checked="" type="checkbox"/> West Side of Street See Exhibit 5 Between _____ & _____ Streets	
c. Lot dimensions: See Exhibit 5 Plot Plan Frontage _____ x _____ x _____ x _____ consisting of _____ square feet		d. Type of building (Industrial or office building, shopping center, store, etc.): <u>Chemical Processing</u>	
f. Building dimensions: See Exhibit 5 & Rentable area of building: _____ sq. ft.		e. Number of stores or rental units in complex: <u>See Exhibit 5</u>	
i. Zoning and permitted use: <u>Heavy Ind</u>		g. Parking: <u>See Exhibit 5</u> sq. ft.	
j. <input checked="" type="checkbox"/> Existing Building <input checked="" type="checkbox"/> Proposed Construction <input type="checkbox"/> In Process of Construction		h. Number of Spaces: <u>Exhibit 5</u>	
		(1) Age of existing building years: <u>various see E.</u> Purchase Price \$ <u>Exhibit 4</u>	
		(2) Improvements, if any since purchase: <u>Yes, see Exhibit 4</u>	

(3) If new construction, estimated date of completion. Dec. 1973	(4) Lend Cost: 50¢/sq. ft.	(5) Construction Cost: \$600,000	(6) Total: See Exhibit 5
(7) See Exhibit 2 & 5 Cost \$ sq. ft.	(8) Cost of equipment and furnishings in lease: \$ See Exhibit 2 & 5		

5. Facts pertaining to financing of building or complex of which premises to be leased is part.

a. Amt. of funds to be borrowed: \$ 600,000 b. Cost of funds 8 % c. Term 10 years.

i. Facts pertaining to lease for which guarantee is sought:

<p>a. (1) Rent - Pursuant to lease - Minimum Payment per:</p> <p><input checked="" type="checkbox"/> monthly <input type="checkbox"/> quarterly installments of:</p> <p>\$ <u>11,895</u> for each of (first) <u>53</u> periods;</p> <p>\$ <u>10,895</u> for next <u>7</u> periods;</p> <p>\$ <u>10,260</u> for next <u>60</u> periods.</p> <p>Amount for entire term \$ _____</p> <p>Is there provision for additional percentage or escalation rental? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes, explain terms: A throughput amount up to 2 cents per gallon.</p>	<p>(2) Rent - To be guaranteed:</p> <p><input checked="" type="checkbox"/> monthly <input type="checkbox"/> quarterly installments of:</p> <p>\$ <u>11,895</u> for each of (first) <u>53</u> periods;</p> <p>\$ <u>10,895</u> for next <u>7</u> periods;</p> <p>\$ <u>10,260</u> for next <u>60</u> periods.</p> <p>Total amount of guarantee \$ <u>1,322,300</u></p> <p>Above installments to be guaranteed are due:</p> <p>From <u>1/01/74</u></p> <p>To <u>12/01/83</u> (month, day and year)</p> <p>(month, day and year)</p>
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b. Types of kinds of business or leases prohibited from occupying the leased premises pursuant to the lease:

Environmentally obnoxious

(see Appendix G)

c. Expenses to be paid by the lessor: Taxes Insurance Maintenance

d. Estimated amount of: Taxes \$ 10,000 /yr Insurance \$ 11,000 /yr Other \$ 10,000 /yr SEE Appendix A-1

7. Name and address of building, center or complex management (submit two copies of any management contracts or similar written agreements containing provision for management for the building, center, or complex):

Quendall Terminals see above

8. The undersigned applicant permits SBA to release any or all information in this application or that developed by SBA to any insurance company participating with SBA, unless such permission is withheld by checking the following box. ☒

9. The undersigned applicant agrees that this application is made pursuant to Title IV of the Small Business Investment Act of 1958, as amended, 15 U.S.C. 6921 and Title 13, Part 106, Code of Federal Regulations and that the cited law and regulations shall control transactions between the insurer and the applicant, and certifies that:

a. All information contained in this application and in the documents attached hereto are true and correct to the best knowledge of the applicant and are submitted for the purpose of inducing SBA to guarantee to the lessor(s) rental payments due or portions thereof pursuant to its lease, and further that lessee(s) would be unable to obtain the lease without a lease guarantee and that a private lease guarantee meeting the requirements of the lessee(s) is not available on reasonable terms.

b. No employee of the SBA or any member of SBA advisory board who are related by blood, marriage or adoption, have or have had any past, direct or indirect, financial interest in or in association with, the applicant, or any of its partners, officers, directors or principal stockholders (such interest to include any direct or indirect financial interest in any other business entity or enterprise.)

Dated at _____, on _____, 19____.

(City and State)

(Individual, general partner, trade name, or corporation)

Attest: _____

(Title)

By _____

Title _____

Whoever makes any statement knowing it to be false for the purpose of obtaining for himself or for an applicant any lease guarantee or for the purpose of influencing in any way the action of SBA, or for the purpose of obtaining a lease guarantee under the Small Business Investment Act, as amended, shall be punishable under Section 16(a) of the Small Business Act, as amended, by a fine of not more than \$5,000 or by imprisonment for not more than two years, or both.

EXHIBIT SUMMARY PART II

1. Lease Elements (See Appendix F)

Lessor: Quendall Terminals

Lessee: QED Corporation

Term: 120 months beginning 1/01/74

Description of property to be leased: See Exhibits 4, 6 and 12

Rate: \$10,260/mo plus graduated throughput up to 2¢/gallon (See part II, 6A)

Other provisions: (1) Taxes maintenance and insurance paid by Lessee

(2) Remove all leasehold improvements at expiration of lease.

2. No ground lease as such

3. Fair Market Rental Value (See Financial Data)

a. SBA Form 9 34 (5-72) (Not applicable)

b. Input parameters (Summary)

(1) Primary	State Sales Vd (000,000)	State Consumption	Penetration
(a) Market Volumes <u>Lube Oil</u>	1-3	27-32	3-10%
<u>Asphalt Flux Oil</u>	1.-2.3	3-6	33-38%
<u>Distillate Fuel & Cutter Stock</u>	.6-2.4	1260	Nil
(b) Market Prices	Package	Price FOB Seattle Area	
<u>Lube</u>	Base Stock "B" Bulk	.27-.30/gal.	
<u>Flux</u>	Bulk	.12-.18/gal.	
<u>Fuel</u>	Bulk	.08-.12/gal.	
(c) Available Raw Material	Volume Statewide	7-10 million gals.	
	Avg Cost FOB Plant	0-.025/gal.	
(d) Production Capacity	10 million gallons/yr	60-70% Flux 30-40% Dist.	
(e) Marginal Costs of Production	.013-.02/gal. (labor utilities & supplies)		
(f) Sales Administration and Overhead	\$200-240,000/yr		

(2) Secondary

(a) Market prices (sales) increase over 50% in 10 years with most of rise in years 1-5

(b) Purchased prices and wage rates up 5%/yr

(c) Land value up 10%/yr

c. Output Parameters Income Statements, Balance Sheets, Financial analysis

d. Supporting data (See Appendixes A1-A-3)

(1) Cash Flow projection 10 years: by quarter first 5 years including:

- (a) balance sheet**
- (b) operating statement**
- (c) Operating ratios**

(2) Revenue - product mix by account by quarter

- (a) customers market penetration**
- (b) market supply demand trends**

(3) Collection Costs

- (a) available volume - see Exhibit I**
- (b) transport contract**
- (c) utilization rates**

(4) Operating Costs

- (a) labor cost rates/utilization rates**
- (b) utilities cost rates/utilization rates**
- (c) maintenance schedule/rates**
- (d) insurance valuations/rates**
- (e) property tax valuation/rates**

(5) Sales and Administrative functions/cost rates

(6) Working Capital requirements/interest rate

(7) Income tax schedule

(8) Land Value comparisons

(9) Capitalization Rates

(10) Replacement values (See Exhibit 2)

e. Appraisal by General American (Exhibit 2)

4. Proposed Construction Items Outlined Plans and Specifications Exhibit 5

5. Proposed Construction Items Outlined Cost Estimates (attached) Exhibit 5

6. Plot Plan (attached) Exhibit 5

7. Compliance - Zoning-existing zoning permits proposed use See Appendix G
Air Pollution-statement from engineer (CH2M) (Appendix C)
Shoreline Management-outside 200 foot jurisdiction (Appendix B)

8. Photographs of site (Exhibit 2)

9. Neighborhood Map (attached) (Appendix G)

10. Feasibility (see Exhibit 3) See Q.E.D. Corp. 1973-1983 also appraisal Exhibit 2

11. Land use map (Appendix G)

12. No personal property included
13. Existing Tenants Quendall Site - Seaboard Lumber Company Log Terminal
Prospective Tenants Quendall Site 1975 Industrial Incinerator Company
1975 Marina service complex
- *14. Background Quendall site see EIS Exhibit see Exhibit 4 Division 3
15. Commercial Credit Reports Lessees see Appendix H

Note 1: The remaining 15% ownership is held by Quendall Terminals, Inc. in the form of non-voting stock. The purpose of this ownership is to reduce the cash flow requirement of the lease and yet return to the lessor a share having a value closer to that of the economic rent.

Quendall Terminals, Inc. also has an option to purchase Mr. Kemp's shares that it may exercise under the following conditions:


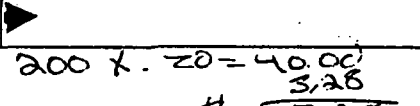

1. To insure operation of both Renton and Tacoma facilities in conformance with a strict interpretation of applicable environmental regulations.
2. To insure continuous and harmonious management.

In no event will this option be exercised without prior approval of the SBA and participating lending institutions.



REQUEST FOR PUBLIC RECORD

REQUESTER: Please complete form and submit to "Public Records Officer" of the state agency identified.

NAME OF STATE AGENCY TO DEPARTMENT OF ECOLOGY		DATE OF REQUEST 1-24-95	TIME OF REQUEST
PUBLIC RECORDS OR INFORMATION REQUESTED		REQUESTED BY	
Copy Report		Lori Herman	
Quendall Terminals PHP Search		Hart Crowser	
December 1990		1910 Fairview Ave E	
		Seattle 98102	
		324 - 9530	
AGENCY PUBLIC RECORDS OFFICER		ACKNOWLEDGEMENT OF RECEIPT	
NO. OF COPIES 200	AMOUNT RECEIVED \$ 43.28	DATE OF RECEIPT	TIME OF RECEIPT
PUBLIC RECORDS OFFICER 		RECIPIENT'S SIGNATURE 	
REASON IF AGENCY IS UNABLE TO COMPLY		200 x .20 = 40.00 3.28 \$ 43.28	
<small>Ecology is an Equal Opportunity and Affirmative Action Employer. For special accommodation needs, contact the Public Disclosure Office at (206) 407-6040. The TDD number is (206) 407-6008.</small>			
<small>ECY 010-37(a) (Rev. 3/94)</small>			
		REQUESTER READ AND SIGN	
		<small>I understand that if a list of individuals is provided me by the Department of Ecology, it will neither be used to promote the election of an official or promote or oppose a ballot proposition as prohibited by RCW 42.17.130 nor for commercial purposes or give or provide access to material to others for commercial purposes as prohibited by RCW 42.17.260(7).</small>	
		<small>I understand that I will be charged <u>20</u> cents per copy for all standard letter size copies I desire and that other size publications are available at cost.</small>	
		REQUESTER'S SIGNATURE 	

January 24, 1995

Lori Herman

A copy of the above report has been made per your request. The copying fee comes to \$43.28. Please sign this form and return along with your check. Upon receipt of both, the copies will be mailed to you.

Judith E. Fisher
Department of Ecology
Public Disclosure Coordinator
Northwest Regional Office
(206)649-7239

D4

APPENDIX F

LEASE - QUENDALL TERMINALS TO Q.E.D. INC.

LEASE AGREEMENT

THIS LEASE is made this ____ day of _____, 1973, between Quendall Terminals, a joint venture of Altino Properties, Inc., and Puget Timber Company, doing business in Renton, Washington, hereinafter referred to as "lessor" and Q.E.D., Incorporated, a Washington corporation whose principal place of business is in Renton, Washington, hereinafter referred to as "lessee."

WHEREAS the lessor currently has the right of possession to the real property and improvements described in Exhibit A attached hereto and incorporated herein by reference and has full right to make this lease and herein warrants that the lessee shall have quiet and peaceable possession of the demised premises during the term hereof, and

WHEREAS, the lessor wishes to lease said premises to the lessee and the lessee wishes to lease said premises, now, therefore, for and in consideration of the mutual covenants contained herein, the parties agree as follows:

1. Demise and Term. The lessor leases to lessee the real property and improvements in the City of Renton, County of King, State of Washington, described in Exhibit A attached hereto and incorporated herein by reference (hereinafter sometimes called the "demised premises"), to have and to hold for a term of ten years commencing upon completion of improvements per plans and specifications as prepared by Cornell, Howland, Hayes and Merryfield, subject to the condition precedent as set forth in paragraph 2. Lessee has examined the premises and improvements and accepts them as is.

2. Condition Precedent. It shall be a condition precedent of this lease that the Small Business Administration guarantee the obligations of lessee as to this lease except for Paragraph 3b. hereof, and until such time, the lessee shall not be entitled to possession of these premises.

3. Rent. The lessee shall pay lessor as rent for the demised premises as follows:

a. Commencing as of completion of improvements per plans and specifications as prepared by Cornell, Howland, Hayes and Merryfield, the monthly base rent shall be payable on the first day of each month during the lease period as follows:

- (1) \$11,895.00 per month for the first 53 months;
- (2) \$10,895.00 per month for the next 7 months; and
- (3) \$10,260.00 per month for the next 60 months;

provided, however, if the facility which lessee leases from lessor in Tacoma is rented by lessee more or less than 7 months prior to the date of commencement of this lease, then the rental term set forth in subparagraph (2) shall be increased or decreased to reflect the exact number of months which lessee leased the Tacoma facility prior to the date of commencement of this lease, and the rental term set forth in subparagraph (1) above shall be changed by inserting there the difference between the new rental term placed in subparagraph (2) and 60 months.

b. In addition to the base rent set forth in subparagraph (a) above the lessee agrees to pay lessor the sum of two cents per gallon on all oil, above the minimum production amount,

which results from being processed at both the demised premises and the other facility leased from lessor in Tacoma, Washington. The "minimum production amount" as used herein shall be defined as two million, five hundred thousand gallons in each calendar year. Production for computation under this subparagraph (b) shall be measured beginning as of January 1, 1974. "Processed" shall be defined as any oil or petroleum products refined, received or stored on the premises. Oil transferred between the demised premises and the Tacoma facility will be measured as being processed at only one location and not at both locations. The amounts set forth in this subparagraph are payable to lessor on a quarterly basis on the 10th day of January, April, July, and October of each year.

4. Use of Premises. The lessee shall use the premises to conduct an oil recovery and refining business. The lessee agrees that it will not violate any state or local regulation or ordinance of any type related to ecology. In addition, during the term of this lease, lessee agrees to comply with all applicable laws affecting the demised premises, the breach of which might result in any penalty on lessor or forfeiture of lessor's title to the demised premises. The lessee shall not commit waste on the demised premises except as necessary for the removal or construction of any building or improvements thereon.

5. Removal of All Improvements Upon Termination of Lease.

All improvements on the leased premises as listed in Exhibit B attached hereto and incorporated herein by this reference, and all improvements made to the premises by lessee,

shall upon the termination of this lease become the property of the lessee and shall be removed from the premises at lessee's sole expense. The lessee shall have no obligation to remove at the termination of this lease, the coal tar residue which now exists on the premises and the tank or tanks containing it.

6. Utilities. All water, gas, electricity, telephone, telegraph and other public utility services used on or furnished to the demised premises during the term hereof shall be paid for by the lessee.

7. Liens. The lessee shall keep the demised premises free and clear from all mechanics and materialmans and other liens for work or labor done, services performed, materials, appliances, teams or power contributed, used or furnished or to be used in or about the premises for or in connection with any operations of lessee, or any alteration, improvement, repairs, or additions which lessee may make or permit or cause to be made, or any work or construction by, for, or permitted by lessor on or about the demised premises.

8. Indemnification of Lessor. The lessor shall not be liable for any loss, injury, death, or damage to persons or property which at any time may be suffered or sustained by the lessee or by any person whomsoever may at any time be using or occupying or visiting the demised premises or be in, on or about the same, or by the lessee, or anyone visiting, occupying or using the demised premises, who is on or about the Burlington Northern right of way adjacent to the demised premises whether such loss, injury, death, or damage shall be caused by or in any

way result from or arise out of any act, omission, or negligence of the lessee, or of any occupant, visitor or user of any portion of the premises, or of said Burlington Northern right of way, or shall result from or be caused by any other matter or thing whether of the same kind or of a different kind than the matters or things set forth above, and the lessee shall indemnify the lessor against all claims, liability, loss or damage whatsoever on account of any such loss, injury, death or damage. Lessee hereby waives all claims against the lessor for damages to the leased improvements.

9. Assignment and Subletting. The lessee shall not assign or sublet the whole or any part of these premises without the prior written consent of both the lessor and the lease guarantor; which consent shall not be unreasonably withheld. If said consent is obtained and the lessee assigns or sublets the whole or any portion of the demised premises, it shall nevertheless, remain liable as a surety to the lessor for the full payment of the rent according to the terms of this lease.

Neither this lease nor the leasehold estate of the lessee nor any interest of the lessee hereunder in the demised premises or any buildings or improvements thereon shall be subject to involuntary assignment, transfer or sale, or to assignment, transfer or sale by operation of law in any manner whatsoever (except through a statutory merger or consolidation, or devise, or intestate succession) and any such attempted involuntary assignment, transfer or sale shall be void and of no effect.

10. Effect of Bankruptcy. Without limiting the generality of the provisions of the preceding section, the lessee agrees that in the event any proceedings under the Bankruptcy Act or any amendment thereto shall be commenced by or against the lessee, and, if against the lessee, such proceedings shall not be dismissed before either an adjudication in bankruptcy or the confirmation of a composition, arrangement, or plan of reorganization, or in the event the lessee is adjudged insolvent or makes an assignment for the benefit of its creditors, or if a receiver is appointed in any proceeding or action to which the lessee is a party, with authority to take possession or control of the demised premises or the business conducted thereon by lessee, and such receiver is not discharged within a period of 30 days after his appointment, any such event or involuntary assignment prohibited by the provisions of the preceding section shall be deemed to constitute a breach of this lease by the lessee and shall, at the election of lessor, but not otherwise, terminate this lease and all rights of lessee hereunder in and to the demised premises and also any rights of any and all persons claiming under the lessee.

11. Successors and Assigns. This lease shall be binding and shall inure to the benefit and apply to the respective successors and assigns of lessor and lessee, and all references in this lease to "lessor" or "lessee" shall be deemed to refer to and include successors and assigns of the lessor or lessee without specific mention of successors or assigns.

12. Effect of Eminent Domain. In the event of the taking of any portion of the land included in the demised premises by or under the power of eminent domain by any person or by any public or quasi-public authority, the proceeds of the condemnation shall be divided between the parties according to their respective interests in the property. The lessee shall be entitled to any portion of the award which applies to damages to the leasehold improvements, damages for loss of the lessee's business, interruption of the lessee's business and for any moving expenses incurred. If the taking results in it being impossible for lessee to continue to conduct its business on the leased premises, the lease will terminate. If the taking is of a lesser amount f the demised premises and lessee is able to continue the conduct of its business on the leased premises without substantial added cost or expense, this lease shall not be terminated, but shall continue as to that portion of the demised premises which shall not have been appropriated or taken, and in this event, the lessor agrees that effective as of the date of such appropriation or taking, the rent shall be reduced in the ratio that the value of the premises taken which is included within the demised premises bears to the value of the entire demised premises before such appropriation or taking, less any amounts received by the lessee in the condemnation proceedings for such diminution in value.

13. Attorney's Fees. If lessor or lessee shall bring any action for relief against the other, declaratory or otherwise, arising out of this lease, including any suit by lessor for the

recovery of rent or possession of the premises, the losing party shall pay the successful party a reasonable sum for attorneys' fees in such suit, and such attorneys' fees shall be deemed to have occurred on the commencement of such action.

14. Repairs and Care of Premises. Lessee shall, at all times during the lease and at its own cost and expense, repair, replace, and maintain in a good, safe, and substantial condition, all buildings and any improvements, additions and alterations thereto, on the demised premises, and shall use all reasonable precaution to prevent waste, damage or injury to the demised premises. Cost of maintenance shall be in addition to the rental provided herein. Provided, however, the building on the premises shared by lessee with lessor and other tenants of lessor, shall be excluded from the foregoing provisions of this paragraph. As to the portion of that building occupied by lessee, lessor shall have the obligation to maintain and repair the roof, outside walls, plumbing service, primary wiring and foundation and lessee shall have the obligation to do all other maintenance and repairs at its own expense on that portion of that building leased to it.

15. Taxes. The lessee shall pay during the lease term on or before the last day in which payment may be made without penalty or interest, all taxes, assessments, or other governmental charges pertaining to the demised premises or any part thereof. Where the taxes assessed pertain to the demised premises and to contiguous property, they shall be equitably apportioned based on the assessor's records. Amounts payable by lessee hereunder, shall be

treated by the parties as additional rental for the premises; and lessee's failure to make payments of said taxes shall give rise to the same rights and remedies of the parties as would a failure to pay rental hereunder.

16. Insurance and Fire and Other Casualty.

a. During the term of the lease and any other further time that the lessee shall hold the demised premises, the lessee shall obtain and maintain at its expense the following types and amounts of insurance:

(1) Fire Insurance. Lessee shall keep all buildings, improvements and equipment on the demised premises, including alterations, additions and improvements insured against loss or damage by fire, with all standard extended coverage that may be required by any mortgagee or guarantor, and against loss or damage to war or from nuclear agents, if that insurance is available and required by the guarantor or mortgagee; provided, however, lessee shall not be obligated to obtain and pay for, fire and extended coverage insurance on any portion of that building which it occupies and which building is also occupied by lessor and other tenants. The insurance shall be in an amount sufficient to prevent the lessor and lessee from becoming co-insurers under provisions of applicable policy of insurance, but in any event in an amount not less than ___ per cent of the full insurable value of the demised premises and shall be in the form as attached hereto as Exhibit C.

(2) Personal Injury and Property Damage Insurance.

Insurance against liability for bodily injury and property damage and machinery insurance, in the minimum amount of

000,000 for any one accident or occurrence and in the form of insurance policy as attached hereto as Exhibit D.

(3) Other Insurance. The lessee shall provide and keep in force insurance against other hazards as may reasonably be required by lessor in amounts that may from time to time reasonably be required by lessor.

All amounts payable for premiums for insurance herein shall be in addition to the rental otherwise provided. As with the payment of taxes and costs of maintenance of the premises, amounts payable for insurance premiums by lessee, shall be in addition to the minimum rent as provided herein. Failure to pay such premiums by lessee shall give rise to the same rights and remedies by lessor as would the failure to pay rental or any other default herein.

As to any of the insurance required above, lessor shall have the option upon notice to lessee to obtain or provide for said coverage itself, and in said event, lessee shall reimburse lessor upon demand for payments for said insurance on behalf of lessee.

b. In the event of damage to the premises caused by fire or other hazard insured herein, the proceeds of such insurance shall be payable to lessor and lessee.

c. In the event the premises are destroyed or damaged by fire or other casualty, which is covered by insurance, it shall be the obligation of the lessee to use those insurance proceeds to immediately rebuild or repair the same.

d. In the event the premises are destroyed or damaged by fire, or other casualty, which is not covered by insurance to such an extent as to render the same untenable in whole or in a substantial part thereof, it shall be optional with the lessor to rebuild or repair the same; and after the happening of any such contingency, the lessee shall give lessor immediate notice thereof. Lessor shall have not more than 30 days after date of such notification to notify the lessee in writing of lessor's intentions to rebuild or repair said premises, or the part so damaged as aforesaid, and if lessor elects to rebuild or repair said premises, lessor shall prosecute the work of such rebuilding or repairing without unnecessary delay. If the lessor shall fail to give the notice aforesaid or shall thereafter fail to prosecute the said work without unnecessary delay, lessee shall have the right to declare this lease terminated by written notice served upon the lessor.

e. During the time any portion of the leased premises have been destroyed or damaged by fire or other casualty, and until such repair work or rebuilding is completed, the rent for the premises shall not be abated and it shall be the obligation of lessee to procure, and pay for, insurance to cover this undertaking.

17. Notices. All notices, demands or other writings in this lease provided to be given or made or sent, or which may be given or may be sent, by either party hereto to the other, shall be deemed to have been fully made or sent when

made in writing and deposited in the United States mail, certified and postage prepaid and addressed as follows:

a. To lessor: P. O. Box 477
Renton, Washington 98055

b. To lessee: P. O. Box 1004
Renton, Washington 98055

The address to which any notice, demand or other writing may be given or made or sent to any party as above provided may be changed by written notice given by such party as above provided.

18. Default. In the event of any breach of this lease by the lessee, the lessor, shall give notice to the lessee of the specific default and shall provide in the notice that the lessee has 30 days in which to cure the default or vacate the premises and redeliver possession thereof to the lessor. Copies of any such notice or default shall be simultaneously provided by the lessor to the lease guarantor as well. Redelivery of the premises to the lessor shall in no way relieve the lessee of any of its obligations to pay rent or other obligations under the lease. If the premises are relet by the lessor, with approval of the guarantor, amounts received from the new lessee shall be applied, first, to the payment of any indebtedness other than rent due hereunder from the lessee to the lessor; second, to the payment of any expenses of such reletting and of any alterations and repairs necessitated by the default of lessee and subsequent reletting; third, to the payment of rent due and unpaid hereunder, and the residue of any, shall be held by the lessor and applied in payment of future rent as the same may

become due and payable hereunder. No such reentry or taking possession of the demised premises by the lessor shall be construed as an election on the part of the lessor to terminate this lease unless a written notice of such intention is given to the lessee, or unless the termination thereof is decreed by a court of competent jurisdiction. Notwithstanding any such reletting without termination, the lessor may at any time thereafter elect to terminate this lease for such previous breach. Should the lessor at any time terminate this lease for any breach, in addition to any other remedy it may have, the lessor may recover from lessee all damages incurred by reason of such breach, including the cost of recovering the premises, and including the worth at the time of such termination of the excess, if any, of the amount of rent and charges equivalent to rent reserved in this lease for the remainder of the stated term over the then reasonable rental value of the premises for the remainder of the stated term, all of which amounts shall be immediately due and payable from lessee to lessor. In the event that payments are made to the lessor by the guarantor of the lease, the guarantor of the lease will become a successor of the lessor for the purpose of collecting from the lessee in default, rentals which are in arrears and with respect to which the lessor has received payment under the guarantee.

19. Applicable Law. This lease is to be construed under the laws of the state of Washington.

20. Lease Deposit. The lessee shall pay in advance three months basic rent into an escrow account with the lease guarantor to act as escrow agent. This account will not be subject to the claims of creditors of either lessee or lessor and cannot be voluntarily or involuntarily alienated or encumbered by either lessee or lessor. In the event of failure to cure a default by the lessee after written demand by the lessor as provided, in Paragraph 18, the lessee will forfeit all interest in said escrow account and the amount in said account shall be applied to the amounts due under this lease to lessor from lessee. The guarantor will pay to lessor, and lessor agrees to utilize the amounts in the escrow for the three month period, while in the meantime, the lessor will use reasonably diligent efforts to eliminate or minimize the losses resulting to it as a result of the breach and to release the premises to another qualified lessee. No claim shall be made against the lease guarantor by the lessor until such effort has been made and such escrow funds have been exhausted.

21. Time of the Essence. Time is of the essence in this lease, and of each and every covenant, term, condition and provision hereof.

22. Captions. The captions appearing under the section number designations of this lease are for the convenience of the parties only and are not a part of this lease and do not in any way limit or amplify the terms and provisions of this lease.

23. Inspection. The lessor shall have the right at reasonable times to come upon the premises for purpose of inspection. In addition, the lessor shall have the right, which right shall be exercised in a reasonable manner, to inspect the lessee's books and records of account to verify amounts payable to lessor as rental based on oil processed through lessee's refineries.

24. Easements, Agreements or Encumbrances. The parties shall be bound by all existing easements, agreements and encumbrances of record relating to the demised premises; provided, however lessor warrants that (a) it has no knowledge of any existing easements, agreements, encumbrances or interests on or in the demised premises which will in any way hinder, interfere with, or jeopardize lessee's intended use of the premises, and (b) that the title will be as set forth in that certain preliminary commitment for title insurance which is currently being obtained for financing. A copy of that report will be furnished to lessee as soon as it is available.

25. Waivers. The failure of lessor or lessee to insist on a strict performance of any of the terms and conditions hereof shall be deemed a waiver of the rights or remedies that lessor or lessee may have regarding that specific instance only, and shall not be deemed a waiver of any subsequent breach or default in any terms and conditions.

26. Total Agreement. This lease contains the entire agreement between the parties and cannot be changed or terminated

except by a written instrument subsequent executed by the parties hereto.

27. Remedies for Lessor. Any and all remedies provided to lessor for the enforcement of the provisions of this lease shall be cumulative and non-exclusive, and the lessor shall be entitled to pursue either the rights numerated in this lease or remedies authorized by law, or both.

IN WITNESS WHEREOF, the parties have executed this lease at Seattle, Washington on the ____ day of March, 1973.

QUENDALL TERMINALS, a Joint Venture
of Altino Properties, Inc., and
Puget Timber Company

Altino Properties, Inc.

By: _____
Its: _____

Puget Timber Company

By: _____
Its: _____

Q. E. D., INCORPORATED

By: _____
William S. Kemp
President

COUNTY OF KING) ss

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

STATE OF WASHINGTON) ss
COUNTY OF KING)

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

AltinoEPA 000297

STATE OF WASHINGTON)

COUNTY OF KING)

ss

On this ____ day of March, 1973, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn personally appeared William S. Kemp to me known to be the President of Q.E.D., Incorporated, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

Notary Public in and for the State
of Washington, residing at Seattle

Schedule A

Those premises outlined in red on Drawing Exhibit A-4 and detailed in Fig. 2 "Plant Flow Sheet" plus a non-exclusive right to occupy a portion of office building, parking space, boiler building, and as further detailed by plans and specifications.

Schedule B

Those improvements shown on Fig. 2 "Plant Flow Sheet" excepting those tanks shown on "J. H. Baxter and Co. Area".

W. W. Roberts
P.O. Box 283
Maple Valley, Wa. 98038

February 7, 1979

Mr. Donald Norman
Quendall Terminals
P.O. Box 477
Renton, Wa. 98055

Dear Don:

I had hoped to review the Turbo contract before writing this letter, but I won't have it for a day or so, and the clock is running. It was clear to me from our last conversation that you had in mind that if we made an arrangement it would be similar in structure to your arrangement with Turbo. I am aware that in the real estate business it is common for landowners, through leases, to have operating companies operate improvements. From the landowners standpoint these operating companies act as filters, straining out the trouble and letting the money pass on through. This was the essential nature of your arrangements with Q.E.D., Turbo, and Western States. The difficulty was that none of these little fake companies had either the money or the management to discharge their responsibilities. The result was that you spent a great deal of time in sterile bickering with others, trying to get them to do things of which they were simply incapable. Everyone involved was hurt to some degree.

I can manage the tank farm and get the business, but to act as your filter in the classic manner I would need financial strength, which I do not have.

At present the tank farm is unmanaged, not maintained, and underutilized. I don't know what you are getting from your lone tenant, but it cannot be enough to compensate you for the multiple exposures he is incurring on your behalf.

The potential gross is on the order of \$100,000, with expense only a fraction of that, so the thing is worthy of some constructive thought. Let's both give it some before we talk again.

Ward

**SUMMARY OF OPERATOR/LESSEE DOCUMENTATION
QUENDALL TERMINALS SITE
(approximate chronological order)**

Appendix I Document No.	Item	Obtained From	Description
<u>United Drain Oil - E</u>			
E1	Document, "QED Income and Cash Flow, 1973-1983"	QT files	See D2 above.
E2	12/28/72 letter, METRO to Washington Utilities and Transportation Commission (UTC)	QT files	Letter in support of United Drain Oil's receiving a permit to pick up waste oil--United Drain Oil picks up METRO's oil.
E3	12/29/72 letter, King County to Washington UTC	Boxes at Ecology: Don Norman's old files	As above--United Drain Oil picks up King County's oil.
E4	12/29/72 letter, Fort Lewis to Washington UTC	QT files	As above--United Drain Oil picks up Fort Lewis oil.
E5	No date, lease guarantee to Small Business Administration	Boxes at Ecology: Don Norman's old files	See D3 above.
N3	Interview - Ward Roberts		United Drain Oil stored used oil in mid-1970s - associated with Wally Drexler.

QT = Quendall Terminals

CH₂M Hill

Quendall

E1

Q.E.D. INCOME AND CASH FLOW

1973-1983

PUBLIC INTEREST

Q.E.D. will receive waste oil F.O.B. plantsite, from two types of carriers; public and private. The principal public carrier is United Drain Oil Inc. operating under authority of the Washington State Utilities and Transportation Commission. The private carriers are those under contract from either Q.E.D. or major industrial accounts. It is the public carrier that serves the public at large and it is this service that attracts the public interest. The following are a few of the letters which were submitted to the Utilities and Transportation Commission together with United application for permit which was granted. United is under contract to deliver their waste oil to Q.E.D. Q.E.D. is their sole consignee and has been receiving oil at Quendall since January 1, 1973. There are other permittees whose services are available to Q.E.D. but control over incoming product specifications makes delivery from several public carriers cumbersome.



METRO

municipality of metropolitan seattle

E2

Metro:

Chairman

C. CAREY DOWORTH

AUBURN

STANLEY P. KERRY

BELLEVUE

KENNETH A. COLE

KENT

ISABEL HOGAN

KIRKLAND

ALBERT A. KING

MERCER ISLAND

AUBREY DAVIS, JR.

RENTON

AVERY GARRETT

SEATTLE

WES UELMAN

JAMES K. BENDER

BRUCE K. CHAPMAN

GEORGE E. COOLEY

TIM HILL

ELIS LAMPHERE

YNE D. LARSEN

JOHN B. MILLER

SAM SMITH

LIEM ENG TUAI

JEANETTE WILLIAMS

OTHER CITIES

RICHARD K. SANDAAS

KING COUNTY

JOHN D. SPELLMAN

ROBERT B. DUNN

THOMAS M. FORESTHE

EDWARD HEAVEY

DAVE MOONEY

ED MUNRO

JOHN T. O'BRIEN

TRACY J. OWEN

WILLIAM H. REAMS

BERNICE STERN

UNINCORPORATED

AREAS

MARJORIE ARNOLD

L. THOMAS ECKSTAND

D. ROGER LAUDRUD

DAVID G. HENDERSON

BETTY LUNZ

A. DEAN WORTHINGTON

SEWER DISTRICTS

HANFORD B. CHOATE

EXECUTIVE DIRECTOR

CHARLES V. GIBBS

December 28, 1972

Mr. Archie E. Martin, Secretary
Washington Utilities and
Transportation Commission
Highway-Licenses Building
Olympia, Washington 98504

Dear Mr. Martin:

It has come to my attention that Mr. John Burg, doing business as United Drain Oil Service of Tacoma, is seeking appropriate authority to operate an oil pick-up service on a charge basis.

It is of major concern to Metro, the community, and to all companies that accumulate waste oils, that a means be provided for the regular and consistent removal of this material in a legal manner. Improper disposal of oils, aside from being illegal, can cause great damage to the environment and, in our case, the sewer system.

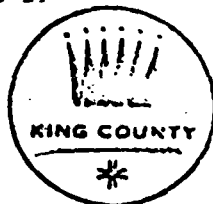
Investigation has revealed that Mr. Burg is highly experienced and has the specialized equipment necessary to properly operate this type of service.

For the above reasons, I urge you to consider granting the necessary authority for Mr. Burg to continue his operations of United Drain Oil Service.

Very truly yours,

Charles V. Gibbs
Charles V. Gibbs
Executive Director

CVG:ggw



E3

DEPARTMENT OF PUBLIC WORKS

KING COUNTY, STATE OF WASHINGTON

900 KING COUNTY ADMINISTRATION BUILDING — SEATTLE, WASHINGTON 98104

December 29, 1972

Mr. Archie E. Martin, Secretary
Washington Utilities and
Transportation Commission
Highway-Licenses Building
Olympia, WA 98504

Re: Temporary Authority Application--United Drain Oil Service

Dear Mr. Martin:

This letter is submitted in support of the emergency temporary authority application and the extended temporary authority application of John Burg d/b/a United Drain Oil Service of Tacoma, Washington, for authority to operate a refuse collection service in the transportation of waste liquid petroleum products excluding acids, chemicals and residual fuels in the State of Washington and in local cartage in all regulated cities therein.

King County, in the regular course of its operations, collects waste petroleum products in the form of automobile crank case oil which we must store in drums in and around our location until such time as it can be removed and disposed of. Due to very stringent ecological regulations in respect to the disposal of waste petroleum products it is virtually impossible for us to get rid of this material without the services of someone who will pick it up and transport it to a reprocessing facility or storage facility. We have facilities located at Redmond, Maple Valley, and Cedar Hills from which the waste oil must be transported to reprocessing or storage locations. It is our understanding that the material will be stored or reprocessed at Renton, Tacoma, and/or Seattle at the present time with the possibility of other satellite storage facilities throughout the State as requirements dictate.

For many years, John Burg c/b/a United Drain Oil Service has removed this material from our location and provided for the lawful disposition of it. Initially, Mr. Burg was able to obtain sufficient compensation from the sale of the waste material for reprocessing to enable him to perform such service without charge to our company. With the advent of increased

Mr. Archie E. Martin

-2-

December 29, 1972

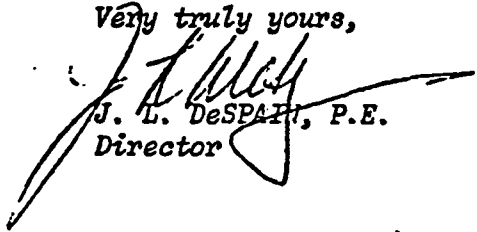
costs of operation and insufficient income from the sale of the product, it has become necessary for Mr. Burg to charge for his services and it is our understanding that unless he obtains appropriate authority from this Commission to continue such operations and to charge us for such services, his operations may be terminated in their entirety.

To our knowledge, there are absolutely no authorized garbage and/or refuse collection companies or authorized motor carriers that can perform a service in the collection, transportation, and disposal of waste petroleum products in the State of Washington. The performance of such a service requires specialized equipment in the form of bulk liquid tank vehicles with self-contained pumps for removal of the material from drums, tanks, and sumps to be pumped into the truck to avoid any spillage or loss. Due to limited storage facilities it is essential to us that this material be removed on a regular consistent basis as it cannot be disposed of at dumping facilities or sewer facilities, etc., without violation of the law.

Due to the fact that this material must be removed on a consistent periodic basis it is absolutely essential that we have the continued services of the applicant available. Any cessation or interruption of the services of the applicant would create serious problems in our operations and we would face unknown amounts of additional storage facilities to hold the waste oil until some possible arrangements could be made to dispose of it. Additionally, we must state that King County Department of Public Works Solid Waste Division is not prepared to accept or dispose of waste liquid petroleum products and would have to refuse acceptance of any and all such material. If adequate disposal sources are not available we could expect to find varying amounts of oil wastes disguised in loads of solid waste material, which we would find at a time when recovery would be at least very difficult and at times impossible.

For the reasons stated herein, we have an immediate and urgent need for the services of the applicant in order to insure his continued ability to service us as he has in the past, and to enable us to legally dispose of waste oil products accumulated at our facilities.

Very truly yours,


J. L. DeSPAIN, P.E.
Director

JLD:gdr

Subscribed and sworn to before me this 29th day of December 1972.


Notary Public in and for the State

AltinoEPA 000307

E4

HEADQUARTERS, 9TH INFANTRY DIVISION AND
DIRECTORATE OF FACILITIES ENGINEERING
Fort Lewis, Washington 98433

AMNLE-DFAE/U

20 DEC 1972

Mr. Archie E. Martin, Secretary
Washington Utilities and
Transportation Commission
Highway-Licenses Bldg.
Olympia, WA 98504

Re Mr. Martin:

This letter is submitted in support of the emergency temporary authority application and the extended temporary authority application of John Burg d/b/a United Drain Oil Service of Tacoma, Washington for authority to operate a refuse collection service in the transportation of waste liquid petroleum products excluding acids, chemicals and residual fuels in the State of Washington and in local cartage in all regulated cities therein. Emphasis is placed on agencies of the Federal Government to protect the environment, therefore, it is necessary that we have such a service as performed by the United Drain Oil Service available.

In the regular course of operations Fort Lewis accumulates POL wastes in large amounts, the major portion being that of waste oil. Collection and disposal of POL wastes from Fort Lewis is accomplished by annual contract. The contractor (United Drain Oil Service of Tacoma) is furnished with a list of building numbers to use as pick-up points. Collections are made starting the 20th day of each month unless an emergency arises that requires special pick-up. Disposal is made at a POL waste refinery plant in the Seattle area.

To our knowledge, there are no authorized garbage and/or refuse collection companies or authorized motor carriers that can perform a service in the collection, transportation, and disposal of waste petroleum products in the State of Washington. The performance of such a service requires specialized equipment in the form of bulk liquid tank vehicles with self-contained pumps for removal of the material from drums, tanks and sumps to be pumped into the truck to avoid any spillage or loss. Due to limited storage facilities

20 DEC

AMILL-UFAL/U
Mr. Archie E. Martin, Secretary

it is essential to us that this material be removed on a regular consistent basis as it cannot be disposed of at dumping facilities or sewer facilities, etc. without violation of the law. It is estimated that POL wastes picked up at Fort Lewis the first year may exceed 100,000 gallons.

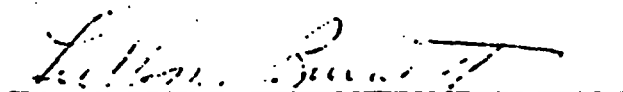
The applicant is highly experienced in the performance of this type of service and has shown a genuine desire to assist Fort Lewis in solving this particular environmental problem.

Due to the fact that this material must be removed on a consistent periodic basis, it is absolutely essential that we have the continued services of the applicant available. Any cessation or interruption of the services of the applicant would create serious problems in our operations and we would face unknown amounts of additional storage facilities to hold the waste oil until some possible arrangements could be made to dispose of it.

For the reasons stated herein, we have an immediate and urgent need for the services of the applicant in order to insure his continued ability to service us as he has in the past, and to enable us to legally dispose of waste oil products accumulated at our facilities.


L. A. WILLIAMS
COL CE
Facilities Engineer

Subscribed and sworn to before me this ²⁰ day of December 1972.


Notary Public in and for the State of
Washington, residing at _____

CF:
Procurement Div

AltinoEPA 000309



SMALL BUSINESS ADMINISTRATION
APPLICATION FOR LEASE GUARANTEE
PART I - LESSEE

1. TWO copies of Part I of this application signed by Applicant-Lessee along with TWO of each of the following documents and exhibits must be submitted. Omission of any item will result in delay of processing until the item is received. (Use separate sheets if more space is needed.)

☒ 1. Balance Sheets and Profit & Loss statements for the past three (3) fiscal years.
☒ 2. Interim Balance Sheet and Profit & Loss statements not more than sixty (60) days old.
☒ 3. Pro Forma Balance Sheet at time of opening at New Location including provision for lease guarantee premium and rental escrow, (if any).
☒ 4. Projected Profit and Loss Statement for First Year operation.
☒ 5. Current personal Balance Sheet(s) of Principal(s) and proposed Guarantor(s).
☒ 6. Current Balance Sheet(s) and Last Profit & Loss statement(s) on all affiliates indicating relationship to applicant.
☒ 7. A brief history of the lessee business, including type of business, date established, ownership, affiliates, number of employees now and anticipated at opening in new location.
☒ 8. A brief history of management background and experience.

2. Lessee(s): Name: Q.E.D. Corp. SIC No(s): _____
Address: 4503 Lake Wash. Blvd. No., Renton, Wash. ZIP Code 98055
☒ Corporation ☐ Partnership ☐ Ltd. Partnership ☐ Proprietorship

Telephones: Business, AC 206 271-1541 Home, AC 206 206/432-9756

3. Guarantor(s), (if any) Name(s): W. W. Roberts G. W. Drexler William S. Kemp
22114 S.E. Bain Rd. 7506 NE 169th 2500 Canterbury Lane
Address(es): Maple Valley, Wa Bothell, Wa. 98011 Seattle, Wa. 98102
Relationship to Applicant (Relative, Stockholder) 98038

4. Address of premise to be leased (Street, City, State and ZIP Code):
4503 Lake Washington Blvd. No., Renton 98055
Shopping Center? Name _____

5. Ownership: Furnish the following information for a single proprietor, all partners, all corporate officers and directors, and all holders of 20% or more corporate stock. (Use separate sheet if necessary)

	A	B	C
a. First, Middle & Last Name in full:	<u>Walter Ward Roberts</u>	<u>George Wellington Drexler</u>	<u>William S. Kemp</u>
b. Residence Address: (ZIP Code)	<u>(above)</u>	<u>(above)</u>	<u>(above)</u>
c. Date of Birth:	<u>9/14/20</u>	<u>11/08/18</u>	<u>11/15/15</u>
d. Place of Birth:	<u>Seattle</u>	<u>Hill City, Minn.</u>	<u>Boston</u>
e. U.S. Citizen?	<u>Yes</u>	<u>Yes</u>	<u>Yes</u>
f. % of Ownership:	<u>22</u>	<u>22</u>	<u>41</u>
g. Office/Position:			<u>see also attached note 1</u>

6. References of Lessee (List Name, Position and Address):

a. Banking (indicate name or contact officer) None Yet Avail. *1570 provided by QT*

b. Business Suppliers (3 largest accounts) United Drain Oil Inc.

c. Major Customers (3 Largest; Show % of gross business obtained from each)	
Time Oil Co. - See Appendix A-1	
U.S. Oil - See Appendix A-1	
Union Oil Co. - See Appendix A-1	
7. Who will pay lease insurance premium: <input checked="" type="checkbox"/> Lessee <input type="checkbox"/> Lessor	
8. Does a blood or contractual relationship exist between stockholders, directors, or officers of Lessee or Lessor? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (if "Yes" explain on separate sheet.) See Note 1	
9. Does lessor have financial interest in applicant lessee's business other than this lease? <input type="checkbox"/> Yes <input type="checkbox"/> No (if "Yes" explain on separate sheet.) See Note 1	
10. Has lessee ever been more than 1 month in default or breached a lease or been evicted within the past 5 Years? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (if "Yes" explain on separate sheet.)	
11. AGREEMENT OF NONEMPLOYMENT OF SBA PERSONNEL In consideration of the issuance of the lease guarantee applied for in this application, applicant-lessee hereby agrees that for a period of 2 years after the effective date of the lease guarantee, applicant-lessee will not employ, or tender any office or employment to, or retain for professional services, any person who, on the effective date of such lease guarantee or within one year prior to such date, (a) shall have served as an officer, attorney, agent, or employee of SBA and (b) as such, shall have occupied a position or engaged in activities which SBA shall have determined, or may determine, to involve discretion with respect to the granting of assistance under any laws administered by Small Business Administration or said laws as may be amended from time to time.	
12. Application charge \$ <u>2,000</u> is enclosed representing 5 percent of the aggregate premium or \$300.00, whichever is the greater.	
13. The undersigned applicant permits SBA to release any or all information in this application or that developed by SBA to any insurance company participating with SBA, unless such permission is withheld by checking the following box. <input type="checkbox"/>	
14. The undersigned applicant agrees that this application is made pursuant to Title IV of the Small Business Investment Act of 1958, as amended, 15 U.S.C. 6921 and Title 13, Part 106, Code of Federal Regulations and that the cited law and regulations shall control transactions between the insurer and the applicant, and certifies that: <ul style="list-style-type: none"> a. All information contained in this application and in the documents attached hereto are true and correct to the best knowledge of the applicant and are submitted for the purpose of inducing SBA to guarantee to the lessor(s) rental payments due or portions thereof pursuant to its lease, and further that lessee(s) would be unable to obtain the lease without a lease guarantee and that a private lease guarantee meeting the requirements of the lessee(s) is not available on reasonable terms. b. No employee of the SBA or any member of SBA advisory board who are related by blood, marriage or adoption, have or have had any past, direct or indirect, financial interest in or in association with, the applicant, or any of its partners, officers, directors or principal stockholders (such interest to include any direct or indirect financial interest in any other business entity or enterprise.) 	
Dated at _____, on _____, 19____. <div style="text-align: center;">(City and State)</div> <div style="text-align: right;">_____ (Individual, general partner, trade name, or corporation)</div>	
By _____ Title _____	
Attest: _____ <div style="text-align: center;">(Title)</div>	
Whoever makes any statement knowing it to be false for the purpose of obtaining for himself or for an applicant any lease guarantee or for the purpose of influencing in any way the action of SBA, or for the purpose of obtaining a lease guarantee under the Small Business Investment Act, as amended, shall be punishable under Section 16(a) of the Small Business Act, as amended, by a fine of not more than \$5,000 or by imprisonment for not more than two years, or both.	

EXHIBIT SUMMARY PART I

- Exhibit 1: The proposed is a new entity. Moriarty and Drexler were in management positions of a facility processing the same raw material, Superior Refineries Inc. Superior operating statements are available for the years 1970, 1971, and 1972. Neither Drexler nor Moriarty assisted in their preparation nor were they called upon to approve them. In fact, they cannot reconcile these data with facts of their own knowledge.
- Exhibit 2: Interim Statements, see above.
- Exhibit 3: Pro Forma Bal Sheet Opening 1/01/74
* (See computer output Appendix A3)
- Exhibit 4: Projected Profit and Loss Year 1974
* (See computer output Appendix A3)
- Exhibit 5: Combined Net worth of Guarantors shows net worth in excess of \$100,000. Assets primarily Cash Securities and Real Estate. (See Appendix G)
- Exhibit 6: There are no affiliates. Drexler, however, is a minority stockholder in a trucking company with whom subject will contract to transport products (see Exhibit 1, Appendix 5)
- Exhibit 7: Oil recovery and rerefining as an industry is in decline for three principal reasons (a) environmental restrictions on process emissions and the resulting cost of correction, (b) change in product specification and resulting costs of correction, (c) changes in distribution patterns from service stations. The typical rerefiner has neither the will nor the way to respond to these changes and this would apply to the only one remaining in the State. At the same time demand for the disposal service and the demand for refined products has increased dramatically. This is the result of environmental regulations on disposal and the increasing shortage of virgin product. The subject's principals are the only remaining management team in the State with the experience, competence, a feasible long term program, and ability to start immediately. This section includes:
- (a) A.P.I. Industry Survey Exhibit 3
 - (b) Local Background see Appendix 5, Exhibit I
 - (c) Proposed operating details see Appendix A, Part I
 - (d) Management Background see personnel

Exhibit 8 - see Personnel



SMALL BUSINESS ADMINISTRATION
APPLICATION FOR LEASE GUARANTEE
PART II - LESSOR

TWO copies of Part II of this application signed by Applicant-Lessor along with TWO copies of each of the following documents and exhibits must be submitted. Omission of any item will result in delay of processing until the item is received. (Use separate sheets if more space is needed.)

- ☒ 1. Copy of lease or proposed lease to be guaranteed.
- ☒ 2. Copy of ground lease, if any.
- ☒ 3. Fair market rental value appraisal of the premises to be leased which must include a description of location, improvements, feasibility of business, rent comparables and other relevant market data.
- ☒ 4. If proposed construction, plans and specifications.
- ☒ 5. If proposed construction, contractor's bids or itemized cost estimates.
- ☒ 6. Scaled plot plan locating streets, site, improvements, ingress and egress points and parking areas.
- ☒ 7. Available evidence of conformance to federal, state and local regulations, codes and ordinances.
- ☒ 8. Dated and captioned photographs of premises to be leased, improvements, surrounding area, streets and highways.
- ☒ 9. City and neighborhood maps showing location of premises to be leased, rent comparables, and competitive establishments.
- ☒ 10. Feasibility study, including market data on trade area and description of neighborhood. (Required only when proposed development involves 3 or more leases of premises.)
- ☒ 11. A sketched land use map of the neighborhood identifying the type of use (men's clothing store, supermarket, service station, single-family house, machine shop, vacant) on each lot.
- ☒ 12. Chattels - value and description of furnishings and equipment to be installed by lessor of premises to be leased.
- ☒ 13. List of tenants or types of other tenants anticipated.
- ☒ 14. If existing building, center or complex, submit history and background, for past 5 years including rents, description of past tenants of premises to be leased, and reason for termination of these tenancies.
- ☒ 15. Current commercial credit report on prospective lessee(s).

1. Name of lessor(s): <u>Quendall Terminals, a J.V.</u>		2. Present mailing address (Street, City, State & ZIP): <u>P.O. Box 477, Renton, Wa 98055</u>	
Telephone No. <u>(206) 271-1570</u> (Area Code)			
3. Ownership: Furnish the following information for a single proprietor, all partners, all corporate officers and directors and all holders of 20% or more corporate stock. (Use separate sheets if necessary.)			
a. First, Middle and Last Name IN FULL	A <u>Altino Properties Inc.</u>	B <u>Puget Timber Company</u>	C <u></u>
b. Residence Address:	<u>Box 359</u> <u>Renton, Wa. 98055</u>	<u>1700 So. El Camino Real</u> <u>San Mateo, Cal.</u>	<u></u>
c. Date of Birth:	<u>- - -</u>	<u>- - -</u>	<u>- - -</u>
d. Place of Birth:	<u>- - -</u>	<u>- - -</u>	<u>- - -</u>
e. Proprietor	<u>Washington Corp.</u>	<u>Washington Corp.</u>	<u></u>
f. % of Ownership:	<u>50%</u>	<u>50%</u>	<u></u>
g. Office Held:	<u></u>	<u></u>	<u></u>
4. Facts pertaining to property of which premises to be leased is a part:			
a. Address (Street, City, State & ZIP Code): <u>4503 Lake Washington Blvd. North</u> <u>Renton, Washington</u>		b. Fronting on <input type="checkbox"/> North <input type="checkbox"/> East <input type="checkbox"/> South <input checked="" type="checkbox"/> West Side of Street See Exhibit 5 Between _____ & _____ Streets	
c. Lot dimensions: See Exhibit 5 Plot Plan Frontage _____ x _____ _____ x _____ consisting of _____ square feet		d. Type of building (Industrial or office building, shopping center, store, etc.): <u>Chemical Processing</u>	
f. Building dimensions: See Exhibit 5 & Rentable area of building: _____ sq. ft.		e. Number of stores or rental units in complex: <u>See Exhibit 5</u>	
i. Zoning and permitted use: <u>Heavy Ind</u>		g. Parking: <u>See Exhibit 5</u> sq. ft.	
j. <input checked="" type="checkbox"/> Existing Building <input checked="" type="checkbox"/> Proposed Construction <input type="checkbox"/> In Process of Construction		h. Number of Spaces: <u>Exhibit 5</u>	
(1) Age of existing building years: <u>various see E.</u> Purchase Price \$ <u>Exhibit 4</u>		(2) Improvements, if any since purchase: <u>Yes, see Exhibit 4</u>	

EXHIBIT SUMMARY PART II

1. Lease Elements (See Appendix F)

Lessor: Quendall Terminals

Lessee: QED Corporation

Term: 120 months beginning 1/01/74

Description of property to be leased: See Exhibits 4, 6 and 12

Rate: \$10,260/mo plus graduated throughput up to 2¢/gallon (See part II, 6A)

Other provisions: (1) Taxes maintenance and insurance paid by Lessee

(2) Remove all leasehold improvements at expiration of lease.

2. No ground lease as such

3. Fair Market Rental Value (See Financial Data)

a. SBA Form 9 34 (5-72) (Not applicable)

b. Input parameters (Summary)

Input Parameters (Summary)			
(1) Primary	State Sales Vd (000,000)	State Consumption	Penetration
(a) Market Volumes <u>Lube Oil</u>	1-3	27-32	3-10%
<u>Asphalt Flux Oil</u>	1.-2.3	3-6	33-38%
<u>Distillate Fuel & Cutter Stock</u>	.6-2.4	1260	Nil
(b) Market Prices	Package	Price FOB Seattle Area	
<u>Lube</u>	Base Stock "B" Bulk	.27-.30/gal.	
<u>Flux</u>	Bulk	.12-.18/gal.	
<u>Fuel</u>	Bulk	.08-.12/gal.	
(c) Available Raw Material	Volume Statewide	7-10 million gals.	
	Avg Cost FOB Plant	0-.025/gal.	
(d) Production Capacity	10 million gallons/yr	60-70% Flux 30-40% Dist.	
(e) Marginal Costs of Production	.013-.02/gal. (labor utilities & supplies)		
(f) Sales Administration and Overhead	\$200-240,000/yr		
(2) Secondary			
(a) Market prices (sales) increase over 50% in 10 years with most of rise in years 1-5			
(b) Purchased prices and wage rates up 5%/yr			
(c) Land value up 10%/yr			

c. Output Parameters Income Statements, Balance Sheets, Financial analysis

d. Supporting data (See Appendixes A1-A-3)

- (1) Cash Flow projection 10 years: by quarter first 5 years including:
 - (a) balance sheet
 - (b) operating statement
 - (c) Operating ratios
- (2) Revenue - product mix by account by quarter
 - (a) customers market penetration
 - (b) market supply demand trends
- (3) Collection Costs
 - (a) available volume - see Exhibit I
 - (b) transport contract
 - (c) utilization rates
- (4) Operating Costs
 - (a) labor cost rates/utilization rates
 - (b) utilities cost rates/utilization rates
 - (c) maintenance schedule/rates
 - (d) insurance valuations/rates
 - (e) property tax valuation/rates
- (5) Sales and Administrative functions/cost rates
- (6) Working Capital requirements/interest rate
- (7) Income tax schedule
- (8) Land Value comparisons
- (9) Capitalization Rates
- (10) Replacement values (See Exhibit 2)

e. Appraisal by General American (Exhibit 2)

4. Proposed Construction Items Outlined Plans and Specifications Exhibit 5
5. Proposed Construction Items Outlined Cost Estimates (attached) Exhibit 5
6. Plot Plan (attached) Exhibit 5
7. Compliance - Zoning-existing zoning permits proposed use See Appendix G
Air Pollution-statement from engineer (CH2M) (Appendix C)
Shoreline Management-outside 200 foot jurisdiction (Appendix B)
8. Photographs of site (Exhibit 2)
9. Neighborhood Map (attached) (Appendix G)
10. Feasibility (see Exhibit 3) See Q.E.D. Corp. 1973-1983 also appraisal Exhibit 2
11. Land use map (Appendix G)

12. No personal property included
13. Existing Tenants Quendall Site - Seaboard Lumber Company Log Terminal
Prospective Tenants Quendall Site 1975 Industrial Incinerator Company
1975 Marina service complex
- *14. Background Quendall site see EIS Exhibit see Exhibit 4 Divison 3
15. Commercial Credit Reports Lessees see Appendix H

Note 1: The remaining 15% ownership is held by Quendall Terminals, Inc. in the form of non-voting stock. The purpose of this ownership is to reduce the cash flow requirement of the lease and yet return to the lessor a share having a value closer to that of the economic rent.

Quendall Terminals, Inc. also has an option to purchase Mr. Kemp's shares that it may exercise under the following conditions:

1. To insure operation of both Renton and Tacoma facilites in conformance with a strict interpretation of applicable environmental regulations.
2. To insure continuous and harmonious management.

In no event will this option be exercised without prior approval of the SBA and participating lending institutions.



DEPARTMENT OF PUBLIC WORKS
KING COUNTY, STATE OF WASHINGTON

900 KING COUNTY ADMINISTRATION BUILDING — SEATTLE, WASHINGTON 98104

December 29, 1972

Mr. Archie E. Martin, Secretary
Washington Utilities and
Transportation Commission
Highway-Licenses Building
Olympia, WA 98504

Re: Temporary Authority Application--United Drain Oil Service

Dear Mr. Martin:

This letter is submitted in support of the emergency temporary authority application and the extended temporary authority application of John Burg d/b/a United Drain Oil Service of Tacoma, Washington, for authority to operate a refuse collection service in the transportation of waste liquid petroleum products excluding acids, chemicals and residual fuels in the State of Washington and in local cartage in all regulated cities therein.

King County, in the regular course of its operations, collects waste petroleum products in the form of automobile crank case oil which we must store in drums in and around our location until such time as it can be removed and disposed of. Due to very stringent ecological regulations in respect to the disposal of waste petroleum products it is virtually impossible for us to get rid of this material without the services of someone who will pick it up and transport it to a reprocessing facility or storage facility. We have facilities located at Redmond, Maple Valley, and Cedar Hills from which the waste oil must be transported to reprocessing or storage locations. It is our understanding that the material will be stored or reprocessed at Renton, Tacoma, and/or Seattle at the present time with the possibility of other satellite storage facilities throughout the State as requirements dictate.

For many years, John Burg c/b/a United Drain Oil Service has removed this material from our location and provided for the lawful disposition of it. Initially, Mr. Burg was able to obtain sufficient compensation from the sale of the waste material for reprocessing to enable him to perform such service without charge to our company. With the advent of increased

December 29, 1972

costs of operation and insufficient income from the sale of the product, it has become necessary for Mr. Burg to charge for his services and it is our understanding that unless he obtains appropriate authority from this Commission to continue such operations and to charge us for such services, his operations may be terminated in their entirety.

To our knowledge, there are absolutely no authorized garbage and/or refuse collection companies or authorized motor carriers that can perform a service in the collection, transportation, and disposal of waste petroleum products in the State of Washington. The performance of such a service requires specialized equipment in the form of bulk liquid tank vehicles with self-contained pumps for removal of the material from drums, tanks, and sumps to be pumped into the truck to avoid any spillage or loss. Due to limited storage facilities it is essential to us that this material be removed on a regular consistent basis as it cannot be disposed of at dumping facilities or sewer facilities, etc., without violation of the law.

Due to the fact that this material must be removed on a consistent periodic basis it is absolutely essential that we have the continued services of the applicant available. Any cessation or interruption of the services of the applicant would create serious problems in our operations and we would face unknown amounts of additional storage facilities to hold the waste oil until some possible arrangements could be made to dispose of it. Additionally, we must state that King County Department of Public Works Solid Waste Division is not prepared to accept or dispose of waste liquid petroleum products and would have to refuse acceptance of any and all such material. If adequate disposal sources are not available we could expect to find varying amounts of oil wastes disguised in loads of solid waste material, which we would find at a time when recovery would be at least very difficult and at times impossible.

For the reasons stated herein, we have an immediate and urgent need for the services of the applicant in order to insure his continued ability to service us as he has in the past, and to enable us to legally dispose of waste oil products accumulated at our facilities.

Very truly yours,


J. L. DeSPAIN, P.E.
Director

JLD:gdr

Subscribed and sworn to before me this 27th day of December 1972.


Notary Public in and for the State

HEADQUARTERS, 9TH INFANTRY DIVISION AND FOR
DIRECTORATE OF FACILITIES ENGINEERING
Fort Lewis, Washington 98433

F3

AMNLE-DFAE/U

20 DEC 1972

Mr. Archie E. Martin, Secretary
Washington Utilities and
Transportation Commission
Highway-Licenses Bldg.
Olympia, WA 98504

Mr. Martin:

This letter is submitted in support of the emergency temporary authority application and the extended temporary authority application of John Burg d/b/a United Drain Oil Service of Tacoma, Washington for authority to operate a refuse collection service in the transportation of waste liquid petroleum products excluding acids, chemicals and residual fuels in the State of Washington and in local cartage in all regulated cities therein. Emphasis is placed on agencies of the Federal Government to protect the environment, therefore, it is necessary that we have such a service as performed by the United Drain Oil Service available.

In the regular course of operations Fort Lewis accumulates POL wastes in large amounts, the major portion being that of waste oil. Collection and disposal of POL wastes from Fort Lewis is accomplished by annual contract. The contractor (United Drain Oil Service of Tacoma) is furnished with a list of building numbers to use as pick-up points. Collections are made starting the 20th day of each month unless an emergency arises that requires special pick-up. Disposal is made at a POL waste refinery plant in the Seattle area.

To our knowledge, there are no authorized garbage and/or refuse collection companies or authorized motor carriers that can perform a service in the collection, transportation, and disposal of waste petroleum products in the State of Washington. The performance of such a service requires specialized equipment in the form of bulk liquid tank vehicles with self-contained pumps for removal of the material from drums, tanks and sumps to be pumped into the truck to avoid any spillage or loss. Due to limited storage facilities

4-111.2-DYAL/U
Mr. Archie E. Martin, Secretary

20 DEC

It is essential to us that this material be removed on a regular consistent basis as it cannot be disposed of at dumping facilities or sewer facilities, etc. without violation of the law. It is estimated that POL wastes picked up at Fort Lewis the first year may exceed 100,000 gallons.

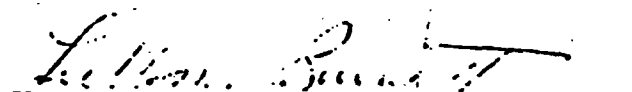
The applicant is highly experienced in the performance of this type of service and has shown a genuine desire to assist Fort Lewis in solving this particular environmental problem.

Due to the fact that this material must be removed on a consistent periodic basis, it is absolutely essential that we have the continued services of the applicant available. Any cessation or interruption of the services of the applicant would create serious problems in our operations and we would face unknown amounts of additional storage facilities to hold the waste oil until some possible arrangements could be made to dispose of it.

For the reasons stated herein, we have an immediate and urgent need for the services of the applicant in order to insure his continued ability to service us as he has in the past, and to enable us to legally dispose of waste oil products accumulated at our facilities.


L. A. WILLIAMS
COL CE
Facilities Engineer

Subscribed and sworn to before me this 20th day of December 1972.


Notary Public in and for the State of
Washington, residing at _____

CF:
Procurement Div

AltinoEPA 000321

**SUMMARY OF OPERATOR/LESSEE DOCUMENTATION
QUENDALL TERMINALS SITE
(approximate chronological order)**

Appendix I			
Document No.	Item	Obtained From	Description
<u>METRO,</u> <u>King County,</u> <u>Fort Lewis - P</u>			
F1	12/28/72 letter, METRO to Washington UTC	QT files	Letter in support of United Drain Oil's receiving a permit to pick up waste oil--United Drain Oil picks up METRO's oil.
F2	12/29/72 letter, King County to Washington UTC	Boxes at Ecology's NWRO: Don Norman's old files	As above--United Drain Oil picks up King County's oil.
F3	12/29/72 letter, Fort Lewis to Washington UTC	QT files	As above--United Drain Oil picks up Fort Lewis oil.

QT = Quendall Terminals



METRO

municipality of metropolitan seattle

F1

METRO

Center

CHAIRMAN

C. CASEY DOWNWORTH

AUBURN

STANLEY P. KERSEY

BELLEVUE

KENNETH A. COLE

KENT

ISABEL HOGAN

KIRKLAND

ALBERT A. KING

MERCER ISLAND

AUBREY DAVIS, JR.

RENTON

AVERY GARRETT

SEATTLE

WES UELMAN

JAMES K. BENDER

BRUCE K. CHAPMAN

GEORGE E. COOLBY

TIM HILL

ELIS LAMPHERE

ATHE D. LARSEN

JOHN B. MILLER

SAM SMITH

LIEM ENG TUAI

JEANETTE WILLIAMS

OTHER CITIES

RICHARD K. SANDAAS

KING COUNTY

JOHN D. SPELLMAN

ROBERT B. DUNN

THOMAS M. FORSYTHE

EDWARD HEAVEY

DAVE MOONEY

ED MUNRO

JOHN T. O'BRIEN

TRACY J. OWEN

WILLIAM H. BEAMS

BERNICE STERN

**UNINCORPORATED
AREAS**

MARJORIE ARNOLD

L. THOMAS ECKSTAND

D. EDGER LAUREUD

DAVID G. HENDERSON

BETTY LUNZ

A. DEAN WORTHINGTON

SEWER DISTRICTS

HANFORD B. CHOATE

• • •

EXECUTIVE DIRECTOR

CHARLES V. GIBBS

December 28, 1972

Mr. Archie E. Martin, Secretary
Washington Utilities and
Transportation Commission
Highway-Licenses Building
Olympia, Washington 98504

Dear Mr. Martin:

It has come to my attention that Mr. John Burg, doing business as United Drain Oil Service of Tacoma, is seeking appropriate authority to operate an oil pick-up service on a charge basis.

It is of major concern to Metro, the community, and to all companies that accumulate waste oils, that a means be provided for the regular and consistent removal of this material in a legal manner. Improper disposal of oils, aside from being illegal, can cause great damage to the environment and, in our case, the sewer system.

Investigation has revealed that Mr. Burg is highly experienced and has the specialized equipment necessary to properly operate this type of service.

For the above reasons, I urge you to consider granting the necessary authority for Mr. Burg to continue his operations of United Drain Oil Service.

Very truly yours,

Charles V. Gibbs
Executive Director

CVG:ggw

**SUMMARY OF OPERATOR/LESSEE DOCUMENTATION
QUENDALL TERMINALS SITE
(approximate chronological order)**

Appendix I Document No.	Item	Obtained From	Description
<u>Golden Penn - G</u>			
G1	5/24/76 Inspection Report, Ecology - to files	Ecology files	Ecology visit prompted by information that Golden Penn Refineries of Tacoma had decided to move to QT because of fire at their plant.
N3	Interview - Ward Roberts		Golden Penn stored used oil in mid-1970s--associated with Wally Drexler.
N4	Interview - Don Norman		Golden Penn Refineries stored used oil--one of Wally Drexler's companies.

QT = Quendall Terminals

DEPARTMENT OF ECOLOGY

INSPECTION REPORT

G1

To FILES
Date of Visit 5/24/76
Name of Entity QUENDALL TERMINALS
City RENTON County KING

Inspector KEN MAUERMAN
Permit No. WA-002497-C
Permit Expires PERMIT DENIE
New Industry _____

Person Contacted NONE

Type of Facility WASTE OIL STORAGE

Receiving Water LAKE WASHINGTON

Type of Treatment System NONE

Operation Satis _____ Fair _____ Unsatis X

~~Does not comply with permit conditions~~

Describe TOM MCCANN DENIED A ^{FEDERAL} PERMIT BECAUSE A
SHORELINE PERMIT WAS NEVER ISSUED BY THE CITY OF RENTON
OUR VISIT TO THE SITE WAS PROMPTED BY INFORMATION
PROVIDED BY OUR SW REGIONAL OFFICE STATING THAT GOLDEN
PENN REFINERIES OF TACOMA HAS DECIDED TO MOVE TO
THE QUENDALL SITE BECAUSE OF A FIRE THEY HAD RECENTLY
AT THEIR TACOMA PLANT. I CHECKED WITH THE CITY OF
RENTON ON WHETHER OR NOT A SHORELINE PERMIT HAS BEEN
ISSUED - IT HAD NOT TO THEIR KNOWLEDGE BEEN APPLIED FOR
THE SITE REMAINS THE SAME AS IT HAS BEEN FOR YEARS -
CONTINUOUS LEACHING OF VARIOUS OILS INTO THE LOW LYING
WATER COVERED AREAS. I CONTACTED KARL KITZ, EPA ON
THE STATUS OF QUENDALL'S SPCC PLAN. HE SAID THEY HAD
A LETTER STATING THINGS WERE UP TO DATE. HE AGREED TO
MAKE AN ATTEMPT TO CONFIRM THE STATUS OF THE PERMIT.

**SUMMARY OF OPERATOR/LESSEE DOCUMENTATION
QUENDALL TERMINALS SITE
(approximate chronological order)**

Appendix I Document No.	Item	Obtained From	Description
<u>Western States - E</u>			
N1	2/7/79 letter, Ward Roberts, to Norman	Boxes at Ecology: Don Norman's old files	"The operating companies act as filters...this was the essential nature of your arrangement with QED, Turbo, and Western States. The difficulty was that none of these little fake companies had either the money or the management to discharge their responsibilities."
N3	Interview - Ward Roberts		Western States leased the tanks in 1974 and 1975. A one-man tank farm broker operation.
N4	Interview - Don Norman		QT leased to Western States in mid- 1970s. Western States subleased to Willamette Industries.

QT = Quendall Terminals

W. W. Roberts
P.O. Box 283
Maple Valley, Wa. 98038

February 7, 1979

Mr. Donald Norman
Quendall Terminals
P.O. Box 477
Renton, Wa. 98055

Dear Don:

I had hoped to review the Turbo contract before writing this letter, but I won't have it for a day or so, and the clock is running. It was clear to me from our last conversation that you had in mind that if we made an arrangement it would be similar in structure to your arrangement with Turbo. I am aware that in the real estate business it is common for landowners, through leases, to have operating companies operate improvements. From the landowners standpoint these operating companies act as filters, straining out the trouble and letting the money pass on through. This was the essential nature of your arrangements with Q.E.D., Turbo, and Western States. The difficulty was that none of these little fake companies had either the money or the management to discharge their responsibilities. The result was that you spent a great deal of time in sterile bickering with others, trying to get them to do things of which they were simply incapable. Everyone involved was hurt to some degree.

I can manage the tank farm and get the business, but to act as your filter in the classic manner I would need financial strength, which I do not have.

At present the tank farm is unmanaged, not maintained, and underutilized. I don't know what you are getting from your lone tenant, but it cannot be enough to compensate you for the multiple exposures he is incurring on your behalf.

The potential gross is on the order of \$100,000, with expense only a fraction of that, so the thing is worthy of some constructive thought. Let's both give it some before we talk again.

Ward

**SUMMARY OF OPERATOR/LESSEE DOCUMENTATION
QUENDALL TERMINALS SITE
(approximate chronological order)**

Appendix I Document No.	Item	Obtained From	Description
<u>Willamette Industries - I</u>			
N3	Interview - Ward Roberts		Willamette Industries subleased the 2-million gallon tanks from Western States in 1974 to store 4 million gallons of Bunker C oil. Stored for approximately 18 months. Only time large tanks ever used by QT.
N4	Interview - Don Norman		Willamette Industries subleased from Western States to store Bunker C crude oil.

QT = Quendall Terminals

**SUMMARY OF OPERATOR/LESSEE DOCUMENTATION
QUENDALL TERMINALS SITE
(approximate chronological order)**

Appendix I Document No.	Item	Obtained From	Description
<u>Turbo Energy Systems - J</u>			
J1	4/4/75 letter, QT's CPA to QT	QT files	On examining the accounting and financial records: "The oil storage tanks are now under the day-by-day management of Turbo Energy Systems, engaged on a month-to-month tenancy lease commencing July 9, 1974."
J2	3/11/76 letter, QT's CPA to QT	QT files	"The month-to-month tenancy lease with Turbo...was terminated in December 1975, and operation of the oil storage tanks is now being conducted by QT."
J3	2/7/79 letter, Ward Roberts to Don Norman	Boxes at Ecology: Don Norman's old files	"I had hoped to review the Turbo contract before writing this letter....It was clear...that you had in mind if we made an arrangement it would be similar in structure to your arrangement with Turbo..." Also speaks of a lone tenant (unnamed) at the tank farm.
N3	Interview - Ward Roberts		Turbo was a middle-man operating entity in 1975/1976. Mr. Roberts became a Turbo employee.
N4	Interview - Don Norman		Turbo was an engineering consulting firm that ran the tank farm around 1975.

QT = Quendall Terminals

APRIL 4, 1975

J1

ALTINO PROPERTIES INC., AND
PUGET TIMBER COMPANY
PARTNERS OF THE JOINT VENTURE OF
QUENDALL TERMINALS

GENTLEMEN:

I HAVE MADE AN EXAMINATION OF THE ACCOUNTING AND FINANCIAL RECORDS
OF QUENDALL TERMINALS FOR THE FOURTH YEAR OF OPERATIONS ENDED
DECEMBER 31, 1974 AND SUBMIT MY REPORT CONSISTING OF

MY CERTIFICATE

BALANCE SHEET, DECEMBER 31, 1974

STATEMENT OF INCOME AND EXPENSE FOR THE YEAR ENDED
DECEMBER 31, 1974

STATEMENT OF CHANGE IN FINANCIAL POSITION FOR THE
YEAR ENDED DECEMBER 31, 1974

MY COMMENTS AS FOLLOWS:

THE OIL STORAGE TANKS ARE NOW UNDER THE DAY BY DAY MANAGEMENT
OF TURBO ENERGY SYSTEMS ENGAGED ON A MONTH TO MONTH TENANCY
LEASE COMMENCING JULY 9, 1974. UNDER THIS AGREEMENT QUENDALL
TERMINALS RECEIVES ONE-HALF OF THE GROSS INCOME AND PAYS ONE-HALF
OF THE REPAIR AND MAINTENANCE EXPENSES SUBMITTED FOR APPROVAL.

THE HARBOR LEASE WITH THE PORT OF SEATTLE IS STILL UNRESOLVED.

QUENDALL TERMINALS IS INVOLVED IN THREE PENDING LEGAL ACTIONS:

- 1 - QUENDALL TERMINALS VS STATE OF WASHINGTON, KING COUNTY,
CITY OF SEATTLE, CITY OF RENTON AND METROPOLITAN SEATTLE.
- 2 - QUENDALL TERMINALS VS RED-SAMM MINING CO.

ACTIONS 1 AND 2 SEEK INJUNCTIVE RELIEF AND DAMAGES FROM SILT
DEPOSITED ON QUENDALL TERMINALS PROPERTY DUE TO ACTIONS OF
DEFENDENTS ON UPPER MAY CREEK. NO TRIAL DATE SET IN EITHER
ACTION.

- 3 - ICONOCO INC. VS QUENDALL TERMINALS FOR DISPUTED VALUE OF
SERVICES PERFORMED IN TANK CLEANING IN THE AMOUNT OF
\$2,734.53 PLUS INTEREST. CAUSE WAS ORIGINALLY FILED IN
1973, NOTED FOR TRIAL DECEMBER 12, 1974 AND EXPECTED TO
BE TRIED IN THE FALL OF 1975.

NOTES RECEIVABLE DUE AFTER 1 YEAR REPRESENT 5% INTEREST BEARING
AUTHORIZED LOANS TO THE PROJECT MANAGER. THESE NOTES ARE PAYABLE
AFTER JANUARY 2, 1976.

THANK YOU FOR THE OPPORTUNITY TO SERVE YOU AND FOR YOUR ASSISTANCE.

SINCERELY YOURS,

L L Payne
LAURENCE L. PAYNE

MARCH 11, 1976

ALTINO PROPERTIES INC., AND
PUGET TIMBER COMPANY
PARTNERS OF THE JOINT VENTURE OF
QUENDALL TERMINALS

GENTLEMEN:

I HAVE MADE AN EXAMINATION OF THE ACCOUNTING AND FINANCIAL RECORDS
OF QUENDALL TERMINALS FOR THE FIFTH YEAR OF OPERATIONS ENDED
DECEMBER 31, 1975 AND SUBMIT MY REPORT CONSISTING OF

MY CERTIFICATE

BALANCE SHEET, DECEMBER 31, 1975

STATEMENT OF INCOME AND EXPENSE FOR THE YEAR ENDED
DECEMBER 31, 1975

STATEMENT OF CHANGE IN FINANCIAL POSITION FOR THE
YEAR ENDED DECEMBER 31, 1975

MY COMMENTS AS FOLLOWS:

THE MONTH TO MONTH TENANCY LEASE WITH TURBO ENERGY SYSTEMS WAS
TERMINATED IN DECEMBER 1975 AND OPERATION OF THE OIL STORAGE TANKS
IS NOW BEING CONDUCTED BY QUENDALL TERMINALS.

QUENDALL TERMINALS IS STILL INVOLVED IN TWO PENDING LITIGATIONS
INVOLVING THE SAND, SILT AND SEDIMENTATION PROBLEMS ON HAY CREEK.

AN INTERIM MONTH TO MONTH LEASE HAS BEEN AGREED UPON WITH THE PORT
OF SEATTLE AT \$541.66 PER MONTH UNTIL A LONG TERM LEASE CAN BE
NEGOTIATED.

NOTES RECEIVABLE REPRESENT 5% INTEREST BEARING AUTHORIZED LOANS
TO THE PROJECT MANAGER. THESE NOTES ARE PAYABLE AFTER JANUARY 2,
1976 AND ARE CARRIED AS OTHER ASSETS ON THE BALANCE SHEET SINCE
METHOD AND TIME FOR PAYMENT HAS NOT BEEN SETTLED.

THANK YOU FOR THE CONTINUED ENGAGEMENT AND FOR YOUR ASSISTANCE.

SINCERELY YOURS,

L L Payne
LAURENCE L. PAYNE

W. W. Roberts
P.O. Box 283
Maple Valley, Wa. 98038

February 7, 1979

Mr. Donald Norman
Quendall Terminals
P.O. Box 477
Renton, Wa. 98055

Dear Don:

I had hoped to review the Turbo contract before writing this letter, but I won't have it for a day or so, and the clock is running. It was clear to me from our last conversation that you had in mind that if we made an arrangement it would be similar in structure to your arrangement with Turbo. I am aware that in the real estate business it is common for landowners, through leases, to have operating companies operate improvements. From the landowners standpoint these operating companies act as filters, straining out the trouble and letting the money pass on through. This was the essential nature of your arrangements with Q.E.D., Turbo, and Western States. The difficulty was that none of these little fake companies had either the money or the management to discharge their responsibilities. The result was that you spent a great deal of time in sterile bickering with others, trying to get them to do things of which they were simply incapable. Everyone involved was hurt to some degree.

I can manage the tank farm and get the business, but to act as your filter in the classic manner I would need financial strength, which I do not have.

At present the tank farm is unmanaged, not maintained, and underutilized. I don't know what you are getting from your lone tenant, but it cannot be enough to compensate you for the multiple exposures he is incurring on your behalf.

The potential gross is on the order of \$100,000, with expense only a fraction of that, so the thing is worthy of some constructive thought. Let's both give it some before we talk again.

Ward

**SUMMARY OF OPERATOR/LESSEE DOCUMENTATION
QUENDALL TERMINALS SITE
(approximate chronological order)**

Appendix I Document No.	Item	Obtained From	Description
<u>Northwest Services</u> - K			
K1	3/79 draft lease agreement	Boxes at Ecology: Don Norman's old files	Agreement between QT and NW Service for lease of tank farm--initial lease 4 years--requires customers totaling minimum of 1 million gallons--if not, agreement can be cancelled. One full-time employee.
N3	Interview - Ward Roberts		Northwest Services was a trucking firm subsidiary of Pacific Gamble Robinson that stored diesel in the 1-million and 272,000-gallon tanks from 1979 to 1981. Mr. Roberts was a Northwest Services employee.

QT = Quendall Terminals

LEASE AGREEMENT

THIS LEASE, executed on the date set forth below between PUGET TIMBER CO. and ALTINO PROPERTIES, INC., a joint venture doing business as QUENDALL TERMINALS, the Lessor, herein called "Quendall" and NORTHWEST SERVICE, INC., a Washington corporation, the Lessee, herein called "Northwest."

W I T N E S S E T H :

WHEREAS, Quendall owns a tank farm storage facility, more specifically described as Exhibit A attached hereto, and referred to herein as the "tank farm"; and

WHEREAS, Northwest desires to lease the tank farm; and

WHEREAS, Quendall is willing to lease the tank farm to Northwest under the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the foregoing and the mutual terms, conditions, and agreements set forth herein, the parties agree as follows:

1. RECITALS:

The recitals set forth above are incorporated herein as though set out in full.

2. LEASE:

Quendall does hereby lease to Northwest the tank farm as set forth herein.

3. TERM:

3.1 Initial Term. The initial term of the Lease shall be four (4) years, subject to the right of either party to elect to terminate at any time as set forth in paragraph 3.3. The initial term of the Lease shall commence fifteen (15) days after either party gives written notice to the other that annual storage contracts with customers covering a minimum of 1,000,000 gallons have been obtained. If this has not occurred by _____ 1979, either party shall have the right to cancel this Lease by written notice thereof to the other party or the parties may extend the commencement date of the Lease by mutual agreement.

3.2 Option To Renew. At the expiration of the initial Lease term, Northwest shall have successive options to renew its Lease on an annual one-year basis until such time as Quendall elects to sell the property to an unrelated entity or to change the use of the property from that as a tank farm. In such event, Quendall shall notify Northwest in writing at least sixty (60) days prior to the sale or change of use. Any renewal of this Lease agreement shall be on the same terms and conditions as prevailed during the preceding term unless the parties mutually agree to a change in the terms and conditions. To exercise an option, Northwest must give written notice to Quendall at least sixty (60) days prior to the expiration of the current Lease term.

3.3 Termination. Either party shall have the right to terminate this Lease agreement, at any time, by giving written notice thereof to the other party at least sixty (60) days prior to the effective date of termination.

4. TERMS AND CONDITIONS OF LEASE:

4.1 General. Northwest shall be authorized to perform and be responsible for performing, all services reasonably necessary for the operation of the tank farm in the ordinary course of business.

4.2 Employees. Northwest shall provide one full time employee to manage the operations of the tank farm. Northwest shall employ, supervise and discharge, all such additional employees or contractors considered by Northwest as necessary for the efficient management and maintenance of the tank farm. The cost of these employees shall be reimbursed pursuant to paragraph 6. Employment shall be at salary and staff levels approved by Quendall, which approval shall not be unreasonably withheld. It is agreed that initially, Ward Roberts shall be designated as the Northwest employee to supervise the operation of the tank farm and that his beginning salary shall be TWO THOUSAND DOLLARS (\$2,000.00) per month, together with customary fringe benefits.

4.3 Maintenance And Operation. Prior written approval shall be obtained by Northwest from Quendall for any expense paid from the special account specified in paragraph 4.4. Approval shall not be unreasonably withheld. Northwest will be authorized upon prior written approval, to purchase necessary supplies, and to make contracts for electricity, telephone and any other utilities or services. Northwest will also be authorized, upon prior written approval, to make or contract for, all ordinary repairs and alterations.

4.4 Collection And Application Of Income. Northwest shall collect all storage charges, rents, or other income promptly when such amounts become due and shall deposit all such amounts in a special bank account maintained by Northwest for Quendall. Northwest shall designate the signator or signatories on the bank account, provided, however, Quendall shall have the right to designate a co-signator. Such monies shall not be mingled with funds of Northwest. Northwest may withdraw from such bank account all disbursements allowed under this Lease agreement, including the approved maintenance and operating expenses, and the disbursements to Northwest as set forth in paragraph 6. Northwest shall render to Quendall a quarterly statement of receipts and disbursements and shall, from time to time, pay to Quendall all rent set forth in paragraph 6, so long as a reasonable balance is retained for working capital to meet obligations in connection with the operations and maintenance of the tank farm, including the compensation of Northwest.

4.5 Storage Contracts. Northwest shall solicit storage contracts for the use of the tanks on the tank farm at rates and with parties to be approved by Quendall. A standard contract form approved by Quendall shall be used. It is agreed that the rates shall be four cents (4 ¢) per gallon per year and future increases shall be made only by mutual agreement of the parties.

4.6 License. Northwest shall forthwith apply for a storage warehouseman's license from the Washington Utilities and Transportation Commission and shall conduct the tank farm in accordance with the laws, rules and regulations governing storage warehousemen. If, for any reason, Northwest shall be unable to obtain the license by _____, 1979, Quendall shall have the right to terminate this Lease agreement.

5. WORKING CAPITAL:

5.1 Ongoing. If, from time to time, additional funds are needed to meet the expenses of the ongoing operations, Northwest agrees to advance the funds necessary. The advance shall be repaid as soon as the income is sufficient to meet ongoing expenses and to repay the advance.

5.2 Initial Capital. Northwest recognizes it would be necessary to incur certain initial expenses in excess of \$12,000. For example, to prepare the tank farm for rental to third parties, the tanks need to be cleaned, the soil sterilized, and certain plumbing repairs are required. Northwest agrees to provide sufficient funds to meet these requirements. These funds shall be repaid in accordance with paragraphs 5.1 and 6.

6. EXPENSES - RENT:

The income shall be placed in a special account as specified in paragraph 4.4. During the year, Northwest shall disburse therefrom monies to pay for all expenses of maintaining and operating the tank farm. At the end of each calendar year, or in the event of a termination of this Lease agreement, Northwest shall fully account for all earned income and expenses. Income for periods after the calendar year or termination date shall not be considered as earned income. The remaining earned income shall then be applied as follows:

(1) First, it shall be applied to pay any advances pursuant to Paragraph 5. Next, it shall be applied or reserved to cover all remaining expenses of the operation and maintenance of the tank farm,

and all remaining related expenses of Northwest in connection with operating the tank farm, including, but not limited to, the salaries and the costs of the fringe benefit of the employees designated to operate the tank farm;

(2) The next TWO THOUSAND FIVE HUNDRED DOLLARS (\$2,500) shall be disbursed to Northwest; and

(3) One-half (1/2) of the remaining monies shall be distributed to Quendall as rent. The other one-half (1/2) shall be distributed to Northwest.

7. INSURANCE:

During the term hereof, or any extension, Quendall shall obtain and maintain at its expense, naming Northwest as an additional insured, insurance in the following minimum amounts:

(1) Fire insurance - \$500,000; and

(2) Comprehensive liability insurance and

Property damage- \$1,000,000.

This insurance expense shall be reimbursed out of the income of the tank farm pursuant to paragraph 6. Quendall agrees to furnish originals of said policies or true copies thereof to Northwest and to pay all premiums thereon promptly.

8. QUENDALL'S REPRESENTATIVE:

Quendall shall designate, in writing, an individual to serve as its representative in connection with giving any approvals, consents or authorizations. Northwest may rely on any approvals, consents, or authorizations given by such representative as being duly authorized by and binding on Quendall. From time to time, Quendall may designate in writing to Northwest a substitute or successor representative.

9. NOTICES:

Notices provided for herein may be given by personal delivery or by depositing the same in the United States mail, postage prepaid, properly addressed to the parties hereto, as follows:

[REDACTED]

To Quendall:

To Northwest:

Or to such other address or addresses as the parties may hereafter designate to each other in writing.

10. INDEPENDENT CONTRACTOR:

Northwest in all of its operations in connection with its Lease and operation of the tank farm shall be regarded as an independent contractor, and nothing in this Lease agreement shall be construed to be inconsistent with this relationship or status.

11. ASSIGNMENT:

Neither party hereto shall have the right to assign this Lease agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld.

12. ARBITRATION:

In the event of a dispute arising between the parties as to the construction or interpretation of any clause in this Lease agreement, or as to the rights or obligations of the parties hereto, all such questions shall be submitted to arbitration with the American Arbitration Association.

13. MISCELLANEOUS:

13.1 Amendments. No amendments or changes to this Lease agreement shall be valid unless in writing and duly signed by both parties.

13.2 Counterparts. This Lease Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

13.3 Headings. The headings and subheadings of this Lease agreement are solely for the convenience and reference of the parties and shall not be deemed to affect any provision of this Lease agreement.

IN WITNESS WHEREOF, the parties have executed this Lease agreement on the date or dates shown below.

QUENDALL

PUGET TIMBER CO.

March _____, 1979

By _____
Title: _____

ALTINO PROPERTIES, INC.

March _____, 1979

By _____
Title: _____

NORTHWEST

NORTHWEST SERVICE, INC.

March _____, 1979

By _____
Title: _____

STATE OF WASHINGTON)
) ss.
County of _____)

On this _____ day of March, 1979, before me, the under-
signed Notary Public in and for the State of Washington, duly
commissioned and sworn, personally appeared _____
to me known to be the _____, of
PUGET TIMBER CO., the corporation that executed the foregoing
instrument and acknowledged the said instrument to be the free
and voluntary act and deed of said corporation, for the uses and
purposes therein mentioned, and on oath stated that he was auth-
orized to execute the said instrument and that the seal affixed
is the corporate seal of said corporation.

WITNESS MY HAND and OFFICIAL SEAL hereunto affixed the day
and year first above written.

(S E A L) NOTARY PUBLIC in and for the State
of WASHINGTON, residing at _____

STATE OF WASHINGTON)
) ss.
County of _____)

On this _____ day of March, 1979, before me, the under-
signed Notary Public in and for the State of Washington, duly
commissioned and sworn, personally appeared _____
to me known to be the _____, of
ALTINO PROPERTIES, INC., the corporation that executed the foregoing
instrument and acknowledged the said instrument to be the free
and voluntary act and deed of said corporation, for the uses and
purposes therein mentioned, and on oath stated that he was auth-
orized to execute the said instrument and that the seal affixed
is the corporate seal of said corporation.

WITNESS MY HAND and OFFICIAL SEAL hereunto affixed the day
and year first above written.

(S E A L) NOTARY PUBLIC in and for the State
of WASHINGTON, residing at _____

STATE OF WASHINGTON)
) ss.
County of _____)

On this _____ day of March, 1979, before me, the under-
signed Notary Public in and for the State of Washington, duly
commissioned and sworn, personally appeared _____
to me known to be the _____, of
NORTHWEST SERVICE, INC., the corporation that executed the foregoing
instrument and acknowledged the said instrument to be the free
and voluntary act and deed of said corporation, for the uses and
purposes therein mentioned, and on oath stated that he was auth-
orized to execute the said instrument and that the seal affixed
is the corporate seal of said corporation.

WITNESS MY HAND and OFFICIAL SEAL hereunto affixed the day
and year first above written.

(S E A L) NOTARY PUBLIC in and for the State
of WASHINGTON, residing at _____

**SUMMARY OF OPERATOR/LESSEE DOCUMENTATION
QUENDALL TERMINALS SITE
(approximate chronological order)**

Appendix I Document No.	Item	Obtained From	Description
<u>Inland Transportation - L</u>			
L1	11/25/81 letter, Bob Johnson to Ward Roberts	QT files	Regarding payment of salary to Mr. Roberts to operate the tanks; "The Inland Transportation lease runs from April 30, 1981, to May 1, 1982, and it is very doubtful they will put any oil in our tanks between now and May 1, 1982....In the event of a drastic change in the oil situation you can be sure we would call on you to reactivate our tank storage operation."
N3	Interview - Ward Roberts		Inland Transportation was a subsidiary of Pacific Gamble Robinson and a sister company with Northwest Services. Could not remember if Inland actually used the tanks.

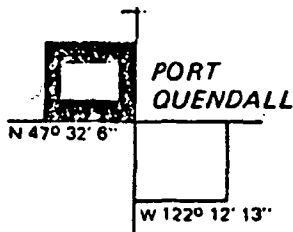
QT = Quendall Terminals

SUMMARY OF OPERATOR/LESSEE DOCUMENTATION
QUENDALL TERMINALS SITE
(approximate chronological order)

Appendix I Document No.	Item	Obtained From	Description
<u>Pacific Gamble</u> <u>Robinson</u> <u>(PGR) - M</u>			
M1	2/8/79 insurance certificate to add PGR to policy	Boxes at Ecology: Don Norman's old files	Adds PGR, 661 5th Avenue North, Minneapolis, Minnesota, to QT insurance policy, to cover 2/9/79 through 2/9/82--insures 272,000 gallons diesel fuel stored at QT.
N3	Interview - Ward Roberts		PGR was parent company of two trucking firms that used the tanks to store diesel--Northwest Services and Inland Transportation.

QT = Quendall Terminals

File



L1

November 25, 1981

Ward Roberts
22310 S. E. Bain Road
Renton, Washington 98055

Dear Ward:

This will confirm our phone conversation yesterday concerning your employment by Quendall Terminals to operate our oil storage tanks. Our agreement with you is to pay your current salary for the balance of 1981. Starting January 1, 1982, we will pay you \$200.00 per month through April 1982. It won't be necessary for you to come to the terminal to work unless Inland activates their storage or I should need to ask you to fill in for me for a day or so due to illness. If Inland should decide to store any oil in our tank between now and April 30, 1982, we would expect you to handle the inbound and outbound trucks.

Due to the present oil glut we haven't had any oil in the tanks since early this summer. The Inland Transportation lease runs from April 30, 1981 to May 1, 1982 and it is very doubtful they will put any oil in our tanks between now and May 1, 1982. (Sandy confirmed this in a telephone conversation with me today.) In the event of a drastic change in the oil situation you can be sure we would call on you to reactivate our tank storage operation.

I have enjoyed working with you, Ward, and will keep you posted on any new developments here as I know you are interested in the property, having been involved in the management of it for so many years.

Best regards,

Robert A. Johnson

cc: A.X. Baxter
Alex Cugini

RAJ:gc

CERTIFICATE OF

INSURANCE issued by the insurance company indicated by "X" below:

M1

☒ **Affiliated FM Insurance Company**

☐ **Appalachian Insurance Company**

This is to certify to

Certificate Holder (Name and address)

☐ Mortgagee ☒ Other Additional Named Insured

Quendall Terminals, Inc.
P.O. Box 477
Renton, Washington 98055

that Policy Number(s): 57387

Account Number: 1-75647

of this Company has been issued to

Insured (Name and address):

Pacific Gamble Robinson Company
661 5th Avenue North
Minneapolis, Minnesota

Covering as follows:

Policy Term (Effective and expiration dates): February 9, 1979 to February 9, 1982

Kind of Insurance:

All Risk - MOP

On real and personal property subject to the policy terms and conditions

Description and Location of insured property:

On 272,000 gallons of diesel fuel stored at:
4503 Lake Washington Boulevard North
Renton, Washington

Limit(s) of liability:

\$500,000

Deductible: \$2500.00

Loss, if any, payable to the Insured and:

Quendall Terminals, Inc., as their interests may appear.

This Certificate of Insurance confirms the above stated coverage as of the date issued and neither amends, extends or alters the coverage afforded by the policy or policies listed herein.

By: William E. Hall
Authorized Representative

Certificate No.: 82

Date Issued: February 8, 1979

an **Allendale** associate

1815 (4/78)
Printed in U.S.A.

AltinoEPA 000345

**SUMMARY OF INTERVIEW DOCUMENTATION
QUENDALL TERMINALS SITE**

Appendix I Document No.	Person Interviewed	Interviewers	Location	Date
N1	Gail Colburn Washington Department of Ecology, Project Manager	Kenny Stein and Susan King of E & E	Ecology NWRO	September 28, 1990
N2	Robert Johnson, past QT Manager; Dean Brokaw, current QR Manager	Kenny Stein of E & E and Carol Slaughterbeck of Herrera Consultants	J.H. Baxter Co.	October 3, 1990
N3	Ward Roberts, past QT employee	Kenny Stein and Susan King of E & E	Telephone Interview	October 19, 1990
N4	Donald Norman, past QT Manager	Kenny Stein and Susan King of E & E	Telephone Interview	October 18, 1990

QT = Quendall Terminals

PERSONAL INTERVIEW NOTES

Person Interviewed: Gail Colburn
Washington Department of Ecology
Northwest Regional Office
Quendall Terminals Project Manager
(206) 867-7058

Interviewer(s): Kenny Stein
Ecology and Environment, Inc. (E & E)
Project Manager
(206) 624-9537

Susan King
Ecology and Environment, Inc. (E & E)
Technical Support
(206) 624-9537

Location: Washington Department of Ecology
Northwest Regional Office, Toxics Cleanup Program
4350 N.E. 150th Avenue
Redmond, Washington 98052-5301

Date: September 28, 1990

Ms. Colburn has been involved with the Quendall site for approximately 3-1/2 years. RI/FS work is in progress for both the Baxter and Quendall sites but Baxter is much further along. Dunlap currently is leasing the Quendall site for log sorting operations. Dean Brokaw currently manages the site for Quendall Terminals. Reilly Tar and Chemical Co. owned the site from 1917 to 1971. Reilly processed coal tar and produced creosote and other by-products (Ms. Colburn discussed Reilly operations in greater detail). Baxter and Barbee Mill created "Quendall Terminals" and bought the property from Reilly in 1971. Ms. Colburn is not interested in including Reilly within the scope of the PLP search. Rather, she would like the PLP search to focus on identifying:

- o Operator/lessees of the Quendall Terminals aboveground storage tanks after Quendall Terminals purchased the site in 1971;
- o Materials stored in the tanks and quantities;
- o Nature of any spills/releases from the tanks; and
- o Make-up of any fill material placed on the site.

Personal Interview Notes

Page 2

Information on these aspects of Quendall Terminals was to be obtained from interviewing Bob Johnson (past Quendall manager), and from reviewing files at Ecology's Northwest Regional Office, Quendall Terminals, and Barbie Mill. Ms. Colburn identified Golden Penn Oil and Time Oil as possible lessees and indicated that Jim Hanken of Schwabe, Williamson, and Wyatt (legal counsel to Baxter/Quendall Terminals) could be contacted for information. A tentative schedule was set for the interviews and file reviews.

PERSONAL INTERVIEW NOTES

Persons Interviewed: Robert Johnson
Past Manager of Quendall Terminals (1978-1990)

Dean Brokaw
Current Manager of Quendall Terminals

Interviewers: Kenny Stein
Ecology and Environment, Inc. (E & E)
Project Manager
(206) 624-9537

Carol Slauterbeck
Herrera Environmental Consultants
Technical Support
(206) 281-7604

Others Present: Greg S. McElroy
Schwabe, Williamson & Wyatt
Pacific First Centre, Suite 2600
1420 Fifth Ave
Seattle, Washington 98101-1098
(206) 621-9168

Location: J.H. Baxter Company
P.O. Box 568
Renton, Washington 98055
(206) 255-2421

Date: October 3, 1990

The interview with Bob Johnson originally was scheduled to take place at Mr. Johnson's home in Bellingham. However, due to Mr. Johnson's failing health and memory, Quendall Terminals' attorney (Greg McElroy) requested that the interview take place at the Quendall site so that Mr. McElroy could be present and Mr. Johnson could have access to the files to refresh his memory. The interview took place in a small building on the Baxter site, just north of Quendall Terminals, where the files were stored. Mr. Johnson, Dean Brokaw, and Mr. McElroy were all present. In general, Mr. Brokaw knew very little about Quendall Terminals tank farm operations between 1971 and when the tanks were removed (he was working for Baxter at the time). Mr. Johnson could not remember any of the names of the tank farm lessees and was very confused about dates. However, he was able to confirm a few names and dates when they were provided for him. The following information was obtained during the interview:

Personal Interview Notes
Page 2

- o Reilly sold the property to Quendall Terminals in approximately 1971. The cracking plant and a few tanks were dismantled but most of the tanks were left on-site. Sludges from the dismantled tanks were generally left on the ground. The remaining tanks were drained but not cleaned (tank bottoms remained).
- o Don Norman managed Quendall Terminals from 1971 to 1978. Ward Roberts worked with Mr. Norman off and on during this period.
- o Mr. Johnson managed Quendall Terminals from 1978 to April 1990. Prior to 1978, Mr. Johnson worked for Baxter on matters unrelated to the Quendall tank farm. According to Mr. Johnson, nothing was being stored in the tanks when he became manager of Quendall Terminals.
- o Mr. Brokaw replaced Mr. Johnson as manager of Quendall Terminals in April 1990. Prior to April 1990, Mr. Brokaw worked for Baxter on matters unrelated to the Quendall tank farm.
- o When asked if Boeing ever used the tanks, Mr. Johnson said that they stored diesel and/or Bunker C crude oil in 1971/1972 during the fuel shortage but that the storage took place before Reilly sold the property to Quendall Terminals.
- o When asked if Golden Penn Oil or Superior Oil ever used the tanks, Mr. Johnson said that they stored used oil from gas stations in one of the smaller tanks which was eventually emptied and taken to Tacoma to be refined.
- o When asked if Time Oil or United Drain Oil ever used the tanks, Mr. Johnson said he could not be sure.
- o Mr. Johnson did not recognize the name "QED Corporation". Mr. Brokaw said he remembers hearing the name QED but does not remember what it was.
- o Mr. Johnson indicated that tank farm operations were generally very sloppy. A lot of stored material was spilled on the ground.
- o The tanks were removed in approximately 1983 under Mr. Johnson's supervision. The sludges from the tanks were sent to a disposal facility in Idaho.
- o After the tanks and the sludges were removed, approximately 3 feet of fill was placed over most of the site. The fill was comprised of sawdust and dirt from the METRO sewer project at Cole Creek.

TELEPHONE INTERVIEW NOTES

Person Interviewed: Ward Roberts
Past Quendall Terminals Employee
(b) (6)

Interviewers: Kenny Stein
Ecology and Environment, Inc. (E & E)
Project Manager
(206) 624-9537

Susan King
Ecology and Environment, Inc. (E & E)
Technical Support
(206) 624-9537

Date: October 19, 1990

Ward Roberts was the most knowledgeable of those interviewed regarding Quendall tank farm operations. During the 1970s, Mr. Roberts worked off and on at Quendall Terminals either as a Quendall Terminals employee or as an employee of a lessee. Although Don Norman was the official manager of Quendall Terminals during this time, Mr. Roberts was responsible for the day-to-day operations of the tank farm. He could not remember all of the lessees who had used the tanks; however, he did name a few lessees that we had already identified via file searches. To refresh his memory, we ran down the list of known lessees and asked him to tell us everything he could about them including when and for how long they used the tanks, which tanks they used, what they stored, and what their management practices were like. In general, Mr. Roberts could not be certain about which lessees used which tanks. He also could not tell us where the lease agreements would be if they were not in the Quendall Terminals files. However, he did provide the following information:

- o There were 10 tanks on-site when Quendall purchased the property from Reilly:
 - Two 2-million gallon tanks numbered 23 and 26 (installed in 1928);
 - Two - million gallon tanks numbered 37 and 38;
 - Two 272,000-gallon tanks numbered 35 and 36; and
 - Four small upright tanks numbered 31 through 34.
- o At the request of King County, Seattle Rendering stored tallow in one of the small upright tanks in 1973. That was the only time the small tanks were ever used by Quendall Terminals. These tanks had an inadequate foundation and tipped over more than once. Since the tanks were usually empty, there were no

Telephone Interview Notes
Page 2

"major" spills associated with these tanks. The tanks were removed in 1974. Mr. Roberts did not have any details on whether the small tanks were cleaned out or how any tank bottoms were disposed of.

- o Mr. Roberts confirmed that Boeing stored Bunker C or diesel in one or both of the 1-million gallon tanks prior to Quendall Terminals' acquisition of the property. Mr. Roberts was not involved with this storage activity but he recalled that some kind of law suit was filed against Boeing over the cost of cleaning the tanks.
- o A corporation called QED leased the tank farm from Quendall Terminals from 1973 to 1974, and became the operating entity. QED was a small company set up and financially backed by Mr. William Kemp (an ex-Weyerhaeuser Vice President) to take advantage of the used oil market. Mr. Kemp was the president of QED and Mr. Roberts became a principal employee. QED was a used oil broker that subleased the tanks to several other companies. Mr. Roberts referred to QED as one of several middle-man corporations that Quendall Terminals created. QED also leased an oil recycling facility from Time Oil in Tacoma. In this way, Quendall (or QED in this case) could offer customers both storage and recycling services.

Wally Drexler was the primary user of the tank farm during this period. Mr. Drexler owned or had some kind of relationship with several companies including United Drain Oil, Golden Penn Refineries, and Superior Refinery. There may have been a few others but Mr. Roberts said he could not remember the others. It was Mr. Roberts' understanding that these companies were really all one in the same and all associated with Mr. Drexler. According to Mr. Roberts, "the companies changed their names as often as you change your shirt." These companies collected used oil from gas stations and other businesses, stored the oil at Quendall Terminals, and recycled it at the Time Oil facility in Tacoma. The used oil was stored in the 1-million and 272,000-gallon tanks. The tanks were never all being used at the same time and they were never full. Drexler's operations were very sloppy. Used oil was often drained onto the ground.

QED folded in 1974, approximately 1 year after it was formed, and Quendall Terminals became the operating entity once again. Mr. Roberts became a Quendall Terminals employee again.

Telephone Interview Notes
Page 3

- o In 1974, Quendall Terminals leased the two 2-million gallon tanks and one or both of the 1-million gallon tanks to Western States, a one-man tank farm broker operation. Western States, in turn, subleased the tanks to Willamette Industries. Willamette Industries stored more than 4 million gallons of Bunker C crude oil in the tanks for approximately 18 months. This was the only time that the 2-million gallon tanks were ever used after Quendall Terminals purchased the property. Other than this storage activity, there was very little use of the tank farm in 1974 and 1975.
- o Quendall Terminals leased the tank farm to Turbo Energy Systems (Turbo) in 1975. Turbo became the operating entity and Mr. Roberts became a Turbo employee. Turbo was a struggling engineering consulting firm with no tank farm operations experience - another "dummy" corporation to operate the tank farm. Mr. Roberts called Turbo "a figment of Don Norman's imagination." Mr. Roberts did not know why Quendall Terminals wanted these middle-man tank farm operators. He presumes there was a tax or other legal reason. Turbo's lease was terminated in late 1975 or early 1976, not even a year after the lease began. Mr. Roberts left when Turbo's lease was terminated and did not return until 1979. Mr. Roberts was not aware of any substantial use of the tank farm in 1976, 1977, or 1978.
- o From 1979 to 1981, the 1-million and 272,000 gallon tanks were used to store diesel. A corporation by the name of Pacific Gamble was the primary lessee. The tanks actually were used by two trucking firms, Northwest Services and Inland Transportation, of which Pacific Gamble was the parent company (Mr. Roberts was not sure whether Inland actually ever used the tanks). Mr. Roberts became a Northwest Services employee. Northwest Services was the operating entity. Northwest Services backed out in late 1979, and Quendall Terminals once again became the operating entity. Mr. Roberts once again became a Quendall Terminals employee.
- o Mr. Roberts stated that tank farm operations were generally very sloppy and spills were frequent during transfer and cleaning operations. He could not be specific about the quantities discharged to the soil. He also stated that the tanks probably leaked but he could not say how much stored material was lost to leakage.

TELEPHONE INTERVIEW NOTES

Person Interviewed: Donald Norman
Manager of Quendall Terminals 1971 to 1978
(b) (6)

Interviewers: Kenny Stein
Ecology and Environment, Inc. (E & E)
Project Manager
(206) 624-9537

Susan King
Ecology and Environment, Inc. (E & E)
Technical Support
(206) 624-9537

Date: October 18, 1990

Don Norman was the manager of Quendall Terminals from the time Quendall Terminals in 1971 until 1978. Mr. Norman also managed tank farm operations on the site in 1971 when J.H. Baxter was leasing the site from Reilly Tar and Chemical Company. Although Mr. Norman had overall responsibility for Quendall Terminals operations, Ward Roberts was the primary person in charge of running the day-to-day activities of the tank farm.

Mr. Norman could not remember all of the companies who were using the tanks after Quendall Terminals purchased the site in 1971. He named a few companies that we had already identified via file searches including United Drain Oil and Superior Refinery. To refresh his memory, we ran down our list of potential tank users and asked him to tell us everything he could about them including when they used the tanks, for how long, what they were storing, how much, and what their management practices were like. Mr. Norman was even less certain than Mr. Roberts about who all the lessees were and when they used the tanks. He responded to several questions with "you'll have to ask Ward about that one." Mr. Norman indicated that Mr. Roberts knew more about the tank farm operations than any one else. When asked where we might locate lease agreements, invoices, or any other information about the tank farm users, he indicated that if they weren't in the Quendall Terminal files, he did not know where they would be.

Mr. Norman stressed that while tank farm operations may have been sloppy, contamination from the tanks is "inconsequential" compared to Reilly's contribution to site contamination. Don stated that he repeatedly contacted Ecology and several other agencies in the early 1970s to notify them of the contamination and to receive direction on how to proceed. He said that no one seemed to pay much attention to it then. He stressed that he never tried to hide the fact that the property was a mess but made it clear that the contamination was due primarily to Reilly's operations.

Telephone Interview Notes
Page 2

The following specific information on lessees and tank farm operations was obtained during the interview:

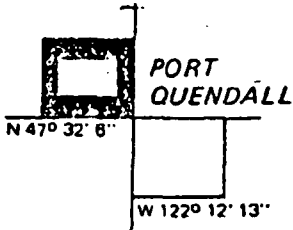
- o There were 10 tanks on-site when Quendall Terminals purchased the property from Reilly. Four of them were small upright tanks that were removed a few years later. Seattle Rendering used one of the small tanks to store animal fat. Mr. Norman could not remember how the tanks were disposed of.
- o Mr. Norman confirmed that Boeing used one of the "newer" tanks (the 1-million gallon tanks or the 272,000 gallon tanks) to store Bunker C oil in the early 1970s.
- o Mr. Norman confirmed that Lidcoa used a few of the tanks to store used oil in 1971 after Boeing had emptied the tanks. He indicated that Lidcoa and Superior Refinery were associated with Wally Drexler.
- o Regarding QED Corporation, Mr. Norman stated that QED originally was set up in the early 1970s with the intent that Quendall Terminals would become a used oil storage and recycling facility and that QED would be the operating entity. When plans for the on-site recycling facility fell through, Quendall Terminals leased recycling facilities from Time Oil in Tacoma and, in turn, subleased the facility to QED. During the time that QED was the operating entity, Mr. Norman said Wally Drexler was the primary user of the tank farm under the names Golden Penn Refineries, Superior Refinery, "and a few others." United Drain Oil could have been one of them.
- o Quendall Terminals leased the tank farm to Western States in the mid-1970s. Western States was really just a tank farm broker. Willamette Industries subleased the tanks from Western States to store Bunker C crude oil. Mr. Norman could not remember how much was stored, which tanks were used, or for how long.
- o Turbo Energy Systems was an engineering consulting firm that operated the tank farm around 1975. Mr. Roberts knew some of the folks who worked for Turbo. When asked why these "sham" middle-man operating entities were created, Mr. Norman responded rather defensively, that since he nor anyone else at Quendall Terminals was an expert at operating a tank farm, they had other companies handle the day-to-day operations.
- o Mr. Norman could not tell us how the tanks and tank residues were ultimately disposed of since he was not managing Quendall Terminals at the time (Bob Johnson was manager).
- o Mr. Norman said there was really no quality control over the used oil at the site (i.e., no testing for contaminants).

**SUMMARY OF OPERATOR/LESSEE DOCUMENTATION
QUENDALL TERMINALS SITE
(approximate chronological order)**

Appendix I Document No.	Item	Obtained From	Description
<u>Inland Trans- portation - L</u>			
L1	11/25/81 letter, Bob Johnson to Ward Roberts	QT files	Regarding payment of salary to Mr. Roberts to operate the tanks; "The Inland Transportation lease runs from April 30, 1981, to May 1, 1982, and it is very doubtful they will put any oil in our tanks between now and May 1, 1982....In the event of a drastic change in the oil situation you can be sure we would call on you to reactivate our tank storage operation."
N3	Interview - Ward Roberts		Inland Transportation was a subsidiary of Pacific Gamble Robinson and a sister company with Northwest Services. Could not remember if Inland actually used the tanks.

QT = Quendall Terminals

File



L1

November 25, 1981

Ward Roberts
22310 S. E. Bain Road
Renton, Washington 98055

Dear Ward:

This will confirm our phone conversation yesterday concerning your employment by Quendall Terminals to operate our oil storage tanks. Our agreement with you is to pay your current salary for the balance of 1981. Starting January 1, 1982, we will pay you \$200.00 per month through April 1982. It won't be necessary for you to come to the terminal to work unless Inland activates their storage or I should need to ask you to fill in for me for a day or so due to illness. If Inland should decide to store any oil in our tank between now and April 30, 1982, we would expect you to handle the inbound and outbound trucks.

Due to the present oil glut we haven't had any oil in the tanks since early this summer. The Inland Transportation lease runs from April 30, 1981 to May 1, 1982 and it is very doubtful they will put any oil in our tanks between now and May 1, 1982. (Sandy confirmed this in a telephone conversation with me today.) In the event of a drastic change in the oil situation you can be sure we would call on you to reactivate our tank storage operation.

I have enjoyed working with you, Ward, and will keep you posted on any new developments here as I know you are interested in the property, having been involved in the management of it for so many years.

Best regards,

Robert A. Johnson

cc: A.X. Baxter
Alex Cugini

RAJ:gc

SUMMARY OF OPERATOR/LESSEE DOCUMENTATION
QUENDALL TERMINALS SITE
(approximate chronological order)

Appendix I Document No.	Item	Obtained From	Description
<u>Pacific Gamble</u> <u>Robinson</u> <u>(PGR) - M</u>			
M1	2/8/79 insurance certificate to add PGR to policy	Boxes at Ecology: Don Norman's old files	Adds PGR, 661 5th Avenue North, Minneapolis, Minnesota, to QT insurance policy, to cover 2/9/79 through 2/9/82--insures 272,000 gallons diesel fuel stored at QT.
N3	Interview - Ward Roberts		PGR was parent company of two trucking firms that used the tanks to store diesel--Northwest Services and Inland Transportation.

QT = Quendall Terminals

**CERTIFICATE OF
INSURANCE** issued by the insurance company indicated by "X" below:

M1

☒ **Affiliated FM Insurance Company**

☐ **Appalachian Insurance Company**

This is to certify to

Certificate Holder (Name and address)

☐ Mortgagee

☒ Other

Additional Named Insured

Quendall Terminals, Inc.
P.O. Box 477
Renton, Washington 98055

that **Policy Number(s): 57387**

Account Number: 1-75647

of this Company has been issued to

Insured (Name and address):

Pacific Gamble Robinson Company
661 5th Avenue North
Minneapolis, Minnesota

Covering as follows:

Policy Term (Effective and expiration dates): February 9, 1979 to February 9, 1982

Kind of Insurance:

All Risk - MOP

On real and personal property subject to the policy terms and conditions

Description and Location of insured property:

On 272,000 gallons of diesel fuel stored at:
4503 Lake Washington Boulevard North
Renton, Washington

Limit(s) of liability:

\$500,000

Deductible: \$2500.00

Loss, if any, payable to the Insured and:

Quendall Terminals, Inc., as their interests may appear.

This Certificate of Insurance confirms the above stated coverage as of the date issued and neither amends, extends or alters the coverage afforded by the policy or policies listed herein.

By: William E. Hall

Authorized Representative

Certificate No.: 82

Date Issued: February 8, 1979

an **Allendale** associate

1815 (4/78)
Printed in U.S.A.

AltinoEPA 000359

**SUMMARY OF SITE/TANK FARM DESCRIPTION DOCUMENTATION
QUENDALL TERMINALS SITE**

Appendix I Document No.	Item	Obtained From	Description
O1	8/1/70, map of tank farm and dikes	Boxes at Ecology: Don Norman's old files	Shows tank locations and numbers on August 1, 1970.
O2	No date, tank farm description	QT files	Describes tanks 35, 36, 37, and 38 (capacity, year built, height, diameter, etc.).
O3	No date, tank farm description	Boxes at Ecology: Don Norman's old files	Identifies 6 tanks, 1 pumping station, 1 barge loading line, and 1 truck loading line.
O4	4/14/86, memo from Bob Johnson to Joe Morgan	QT files	Statement that there are no underground storage tanks at QT.
O5	9/6/83, memo from Bob Johnson to Joe Morgan	QT files	Describes plans to remove tanks at QT and Baxter.
O6	2/72, blueprint of existing conditions at QT	QT files	Shows tank locations in 1972 (excludes 4 small tanks).
O7	12/19/79, CH2M HILL Tank Farm Grading Plan	QT files	Shows tank locations and berm plans.
O8	6/11/76, City of Renton fire marshal inspection letter to Wally Drexler	Boxes at Ecology: Don Norman's old files	Identifies several uniform fire code infractions. Access not available on north side of tanks.

QT = Quendall Terminals

QUENDALL TANK FARM

Tank #35 Hydraulic Supply Manufacturing Company
 Seattle, Washington
 Built 8-25-56
 Diameter - 40' Height - 29', 1-1/8"
 Bottom - 1/4" Top - 3/16"
 1st Course - 1/4" 2,3,4 - 3/16"
 Serial No. 27164A 274,000 gallons
 Estimated weight - 52,000 lbs.

Tank #36 Identical to #35, except:
 Height - 29', 1-1/2"
 Serial No. 27164 B

Tank #37 Graver Tank Manufacturing
 Built - 1956 API Standard 12-C
 Diameter - 74' Height - 32'
 Fabrication Certification of Authority - 4252
 Erection Certification of Authority - 4252
 Capacity - 23,800 - 42 barrels, 999,600 gallons
 Serial No. - Graver - 500060
 Estimated weight - 172,000 lbs.

Tank #38 Identical to #37

RENTON/BAXTER TANK FARM

Tank # 11 2 each, 85,000 gal.-Diameter-20'11"/Height 33', 11 1/2"
 # 8 (cone) Estimated weight - 37,000 lbs.
 (one cone bottom)

Tank #1 - 5 5 each, 50,000 gal.-Diameter-19'/Height 24'
 Estimated weight - 30,000 lbs.

Tank # 7 1 each, 10,000 gal.-Diameter-10'5"/Height 17'6"
 Estimated weight - 6,500 lbs.

Quindall Terminals

- 2 tanks w/ 2 million gal. capacity
- 2 tanks w/ 1 million gal. capacity
- 2 tanks w/ 272,000 gal. capacity

1 pumping station

1 barge loading line
 1300-1500 barrels/hour
 (42 gal./barrel)

1 truck loading line
 300-400 gal./min.

Tanks contain either #2 diesel or heavy residual fuel oil (Bunker C type).
 When loading, vapors are purged out of the tank. Fumes are also generated through tank vents.

Speed Letter.

To Joe Morgan

From Bob Johnson

04

San Mateo

Quendall Terminals

Subject Underground Tanks.

MESSAGE

Date 4-14-86 19

I have now at Quendall Terminals - so you can advise State on form enclosed.

Dean said he didn't receive a form from the State on this. Told him all underground tanks had to be removed by end of April.

I know there is a small gasoline tank - probably 300 to 500 gallons.

The "equipment sale" is going on now at Baxter Site - so he can get one of the participants to remove that tank and any other from J. H. B. property. He will advise you when it's done. Told him before 4:30 86

Signed

Bob Johnson

REPLY

Date _____ 19

- No. 98 10 FOLD

Signed

Speed Letter.

From Joe Morgan

To Bob Johnson 05

San Mateo

Quindall Terminals

Subject _____

MESSAGE

Date 9-6 1953

Attached is a copy of info just received from Chem. Security Systems concerning a new tax of 2^{13} per day weight tax on hazardous waste disposal.

This morning Jim Harkin and I met with Joe Gonzales, ^{President} and Jerry Dean of Seahorse Beach concerning their taking down all the tanks at Lotta Quindall and JNB. They would also remove buildings at JNB and Pump House at Quindall. They wanted to have only a 25000^00

Signed

REPLY

Date _____ 19____

performance but not want 40,000 to 50,000⁰⁰ as cost of cleaning all tanks could approach 40,000⁰⁰. They have enough liability insurance. Joe will be in Seattle for a day or so and is going to check with the company they work with on bonds. Will advise Jim tomorrow what they can provide.

They want about 6 months to complete all tanks. Told them Baxter tanks had to be done 1st - and our feeling is that if tanks are

Signed

Speed Letter.

From _____

To _____

Subject _____

- No. 84 107010

MESSAGE

Date _____ 19__

cleaned and the hazardous waste has been disposed of properly in way 30645 days at JHB - it should satisfy the DOE and EPA. Taking tanks down could then be done over longer period. Do you agree.

They would like to know if we have any written request or demands from the agencies - or if everything has been verbal. Also who are the people that talked or wrote to you.

- 107 107010

Signed _____

REPLY

Date _____ 19__

Jim said you will be up next week and he can fill you in on details. No agreement will be signed until you see it and approve.

I will try and reach you by phone tomorrow in San Mateo. I will be on a short trip from Thursday 9/8 to Sunday 9/11 and will be in Renton again on Tuesday 9/13.

Signed _____



THE CITY OF RENTON

CHARLES J. DELAURENTI, MAYOR

FIRE DEPARTMENT HEADQUARTERS

MUNICIPAL BUILDING • 200 MILL AVE. S. • RENTON WA. 98055 • 235 2642

CHIEF: GEORGE H. WILLIAMS

ASST. CHIEF: DICK GEISSLER

June 11, 1976

RECEIVED JUN 16 1976

Wally Drexler
A. N. Foss
1504 S. Union
Tacoma, Washington 98405

Gentlemen:

A joint inspection was held at Quendall Terminals, 4503 Lake Washington Blvd., on Wednesday, June 9, 1976, by Assistant Chief Richard Geissler, Inspector Ed Wooton of the Renton Fire Department and Ron Nelson, Building Inspector with yourselves and Mr. Norman and Mr. Ward, representatives of Quendall Terminals being present.

Several infractions of the Uniform Fire Code need to be brought to your attention for correction, they are as follows:

Section 15.103 of the Fire Code states - "A person shall obtain a permit for the storage, handling or use of class II or III liquids in excess of 60 gallons outside a building, except for fuel oil used in connection with oil burning equipment. I am sending you an application for this permit."

Section 15.201 (b) states - "Fire protection shall be provided in accordance with nationally recognized standards." When required by the Chief, foam fire protection shall be provided for tank or tanks that are to be used for storage of crude oil. Assistant Chief Geissler is requesting a reserve supply of foam producing material. This shall be 6% mechanical foam, a minimum of 50 gallons in 10 - 5 gallon units. This reserve supply shall be stored in original shipping containers and be stored where the temperature is maintained between 35° and 110° F, or within such other temperature range for which the concentrate has been listed. These materials shall be immediately available at the storage location. At all times storage is to be on the premises.

It is necessary that access be provided on all sides of diked area for quick availability to Fire Department equipment and personnel. Access at present time is not available on north side of tanks.

Drainage shall be provided at a slope of not less than one per cent away from the tanks towards an impounding basin or an approved means of disposal having a capacity greater than that of the largest tank served this termination area and the route of drainage system shall be so located that a fire occurring in the drainage system will not seriously endanger tanks or adjoining property.

No loose combustible material, empty or full drums or barrels shall be permitted within the diked area. This includes removal of grass within diked area.

Provision shall be made for draining or removing excess water from a drainage system or diked area. Such drains shall not discharge to adjoining property, natural water courses, public sewers, or public drainage channels unless the drain is so designed to prevent the release of flammable or combustible liquids.

A valve operable from outside the dike shall be provided in the dike system and shall normally be kept closed. Control of drainage shall be accessible under fire condition.

Section 15.301 states piping, valves and fittings for flammable and combustible liquids shall be designed for working pressures and structural stresses to which they may be subjected. It was agreed by yourselves with the Fire Department to use metal piping throughout the tank area with the exception of the direct hook-up line from the truck to tank which may be a short piece of PVC.

Storage of bark and wood chips piled adjacent to dikes constitute a hazard and shall be removed to prevent a hazard to tank and log storage areas.

All wiring and electrical equipment shall be designed and installed in accordance with the National Electrical Code.

"No smoking" signs shall be posted within area of tanks.

I am sending you a copy of article 15 of the Uniform Fire Code for your information.

Section 1.102 indicates "It is the intent of this Code to prescribe regulations consistent with nationally recognized good practice for the safeguarding to a reasonable degree of life and property from the hazards of fire and explosion arising from the storage, handling and use of hazardous substances, materials and devices, and from conditions hazardous to life or property in the use or occupancy of buildings or premises.

Sincerely,


Richard Geissler, Assistant Chief/Fire Marshal

RG:bn

Enclosure

**SUMMARY OF DOCUMENTATION ON
WASTE MANAGEMENT PRACTICES/SPILLS/RELEASES
QUENDALL TERMINALS SITE**

Appendix I Document No.	Item	Obtained From	Description
P1	12/10/70, Baxter purchase order to have Iverson clean tanks 37 and 38	QT files	Purchase order for tanks 37 and 38 to be cleaned by 12/22/70. "All material to be hauled away and disposed of."
P2	3/29/72, internal METRO letter from Larry Peterson to Glen Harris regarding site visit	Ecology files	METRO staff toured QT site with Don Norman; QT wanted an industrial waste discharge permit from METRO to dispose of on-site wastes left by Reilly into sewer system. Tank farm was saturated with oil/tar; one of the large tanks still contained 3 feet of tar; other site conditions described.
P3	6/29/73, application to Ecology for Port Quendall Discharge Permit	Boxes at Ecology: Don Norman's old files	Application to Ecology to discharge wastes left by Reilly and from "an existing waste oil process" to the METRO sewer. Describes anticipated types and volumes of waste (permit never granted).
P4	7/17/73, meeting notes from R.E. Nakatani (QT consultant) to Don Norman	Boxes at Ecology: Don Norman's old files	Notes from meeting between Ecology and QT consultants to discuss QT "pollution abatement facility." Ecology criticized practice of transferring oil from trucks to storage tanks because of spilling.
P5	7/23/74, letter from Shaughnessy and C., Inc., moving contractors to Don Norman	Boxes at Ecology: Don Norman's old files	Regarding the cost of moving two 70-foot diameter tanks from QT to Scott Paper Co. in Everett. "The tanks now have approximately 1-foot of liquid in them" (never moved).
P6	9/5/74, internal Ecology memo - Craig Baker to Tom Evans regarding QT inspection	Ecology files	Inspection at the request of City of Renton. Inspector describes new containment dikes around tank farm and "recent draining of oil products, from the tanks, within the diked area."
P7	9/24/74, internal Ecology memo to file from Thomas J. McCann	Ecology files	Staff evaluation regarding QT application for real estate development. Memo indicates that current storage tank use is resulting in "continual oil sheens and slicks inshore of the log storage areas."
P8	9/20/76, Ecology Inspection Report	Ecology files	"Transfer and handling of waste oil at the bulk tank storage area is less than clear. Obvious spillage and/or leakage is occurring at the facilities. It appears prevention and cleanup practices are not being employed to any extent."

QT = Quendall Terminals

**SUMMARY OF DOCUMENTATION ON
WASTE MANAGEMENT PRACTICES/SPILLS/RELEASES
QUENDALL TERMINALS SITE
(Cont.)**

Appendix I Document No.	Item	Obtained From	Description
P9	4/9/80, letter from Northwest Environmental Services to Ward Roberts regarding sampling of residues from one of the 2-million gallon tanks	Ecology files	Analytical results.
P10	7/30/80, letter from Ward Roberts to EPA regarding disposal of tank bottoms; EPA response	Ecology files	Mr. Roberts' determination that tank bottoms are not RCRA hazardous waste. EPA approval of this determination.
P11	9/29/80, Ecology analytical results from Tank 26 samples	Ecology files	Ecology sampled sludge in bottom of Tank 26 (one of the large 2-million gallon tanks) for PAHs. Result: 4.2 to 0.5% PAH present.
P12	3/16/83, notes from meeting between Starr Dehn of CH2M HILL, Ward Roberts, and Bob Johnson	Boxes at Ecology	Indicates that cleanings from storage tanks were dumped on site near tanks.
P13	4/11/83, CH2M HILL sampling event	Boxes at Ecology	Samples were taken around the tank farm area. Analytical results described.
P14	1983, notes on METRO Hauling, Inc. letterhead describing tank contents to be disposed of	QT files	Cryptic notes on tank contents to be disposed of in 1983. Includes: diesel, penta mixture, and Bunker C.
P15	6/8/88, proposed QT Consent Order language--author unknown--sent to Jim Hanken (QT attorney)	QT files	Indicates evidence of spills or leaks from storage of used oil in aboveground tanks during the years 1969 to Kenny. Actual amounts of oil released are unknown.

QT = Quendall Terminals

01624

UARCO BUSINESS FORM
OAKLAND, CALIF.

P1

J. H. Baxter☐ ORIGINAL
ORDER☐ CONFIRMATION
DO NOT DUPLICATE**PURCHASE ORDER**OUR ORDER NUMBER TO APPEAR ON
ALL DOCUMENTS AND PACKAGES.
THIS ORDER SUBJECT TO ALL TERMS
AND CONDITIONS SHOWN BELOW.AND INVOICE IN TRIPLICATE TO ISSUING OFFICE ADDRESS MARKED ☒ BELOW.

ISSUING OFFICE:

3450 WILSHIRE BOULEVARD
LOS ANGELES, CALIFORNIA 900051700 SOUTH EL CAMINO REAL
SAN MATEO, CALIFORNIA 94402P.O. BOX 1374 - 1065 HIGH STREET
EUGENE, OREGON 97401

SHIPPING DATE (OR SOONER)	SHIP VIA	F.O.B.	P.O. DATE 12/10/70	PURCHASE ORDER NO. Reilly-1
COLLECT <input type="checkbox"/> FREIGHT <input type="checkbox"/> PREPAID <input type="checkbox"/>	MATERIAL INSPECTION COMM. CENT. <input type="checkbox"/>	MILL AFFIDAVIT <input type="checkbox"/>	GRADE STAMPED <input type="checkbox"/>	INSPECTION COST FOR ACCOUNT OF SUPPLIER <input type="checkbox"/>
REFERENCE NO.				

TO
Iverson Construction Co.
827 South Chicago Street
Seattle, Washington 98108

SHIP TO J. H. BAXTER & CO.

MAIL RAIL SHIPMENT
MANIFEST TO P.O. BOXMATERIAL TO CONFORM TO
LATEST GRADING RULES☐ WCLIB ☐ DFPA☐ WWPA ☐ AITC

OTHER

FURNISH THE FOLLOWING MATERIAL - SHIP EXACT (UNLESS OTHERWISE NOTED)

QUANTITY	DESCRIPTION	UNIT PRICE	TERMS: 2% - 10 DAYS UNLESS OTHERWISE STATED BELOW.
a.	Clean tanks 37 and 38 on Reilly Tar & Chemical Site, Quendall, as specified in attached schedule.		NO SALES TAX UNLESS CHECKED BELOW. RESALE PERMITS CALIFORNIA B-X-184 WASHINGTON C-4098056 <input type="checkbox"/> ADD SALES TAX
b.	Total price for the work not to exceed \$10,000. Payments up to this amount will be on the basis of the attached unit price schedule plus 15% overhead and 10% profit.		
c.	Payment shall be made on invoices submitted and approved prior to the end of the calendar month by the 10th of the following month for 90% of the work invoiced. Retention shall be paid 35 days after completion.		CONDITIONS Time is of the essence. Seller waives all claims for damages for Purchaser's nonperformance due to strikes, lockouts, fires, floods, accidents, inability to secure transportation, acts of God, or any cause beyond Purchaser's control. Seller warrants all applicable severance and/or other taxes or charges have been or will be paid by Seller and that Seller has conformed to all applicable governmental laws, ordinances, rules and regulations, including Executive Order No. 11246 (Non-Discrimination in Employment by Government Contractors and Sub-contractors) if applicable to this order.
d.	Iverson will maintain in force full liability insurance coverage in the amount of \$1,000,000.		
3.	Time is of the essence and Iverson is to have completed one tank by 12/18/70 and the other by 12/22/70. Completion shall be when tanks are cleaned per specification - bayonets and piping replaced in original configuration (exclusive of compressed air) and opening in side of tank replaced and welded closed.		

SHIPPING INSTRUCTIONS

- Send a manifest for each shipment showing our order number and exact tally:
Truck shipments send manifest with load.
Rail shipments mail to our post-office box at destination shown above.
- Load only on open cars or trucks with vertical separators and stickered for fork lift discharge.
Egregate for thickness, width and length.
- Do not show size or species on Bill of Lading.
- Mark Bill of Lading "FOR TREATING IN TRANSIT".
- Show J.H. Baxter & Co., as shipper.Protect _____ lbs. minimum.

CODE:

J. H. BAXTER & CO.

**SIGN AND RETURN PROMPTLY
THE ORDER ACKNOWLEDGMENT**

00370

A hole will be cut in the side of each tank approximately 8' x 8'.
A lip of at least 12" will be left at the bottom of the tank. Piece from
opening to be replaced and welded after cleaning by Iverson.

2. Bayonet heaters will be removed prior to and replaced after cleaning by Iverson.
3. Cleaning of tank walls above level of solids and roof is not included.
4. Floors will be cleaned to within at least $\frac{1}{4}$ " of bare metal.
5. All material from tanks to be hauled away and disposed of.
6. The following equipment and labor rates will be used in computing costs exclusive of charges for overhead and profit.

EQUIPMENT

Charges include operator, fuel, and maintenance. Move in charges to be added per invoices or regular Washington State Rates.

CRANE - 15 ton	\$30.00/Hour
BACKHOE - Rubber Tired Case 580	\$18.50/Hour
BOBCAT LOADER	\$17.00/Hour
DUMP TRUCK - 30-40 C.Y. CAP.	\$24.41/Hour (WUTC Rate)
AIR BLOWER	\$10.00/Day
4" DIAPHRAGM PUMP	\$12.00/Day
LITE PLANT	\$15.00/Day
CLAM BUCKET	\$14.00/Day
DUMP FEES	\$25.00/Load

LABOR

Charges are listed for basic straight time rate, fringe benefits, FUTC and FICA, Workmen's Compensation and insurance.

CLASSIFICATION	RATE	FRINGES	WORK COMP	MATCHING & INSURANCE	TOTAL
Oper. Eng.	\$6.95	\$.85	\$.11	\$1.19	\$9.10
Laborer-Skilled	5.20	.62	.11	.89	6.82
Laborer-Unskilled	4.90	.62	.11	.84	6.47
Truck Driver	6.60	.72	.11	.56	7.99
Superintendent	7.00	2.50*	.11	1.20	10.30

*Includes pickup truck, radio and small tools as well as fringe benefits.

Charges for equipment included cost of operator, however, if equipment rent is not being charged and operator is being utilized for other work, then above charges will apply.

Rates for other labor or equipment will be submitted in writing for approval as required.

To: Glen D. Harris

From: Larry Petersen

Date: 3/29/72

Subject: Quendall Terminals Co. Industrial Waste

On the above date, Doug Hilderbrand and I toured Quendall Terminals Company with Don Norman. Mr. Norman showed us the layout of the old Reilly Tar and Chemical facilities, the problems and the areas which are of concern. Quendall Terminals Company is presently leasing the land from Reilly Tar and Chemical Co. in order to develop it, along with the adjacent land of Barbee Mill and J. ~~W.~~ H. Baxter Company.

Metro became involved with Quendall Terminals development plans along with several other regulatory agencies, when it was learned that large deposits of tar products are contained within the subsurface of land at Reilly Tar and Chemical Company. These deposits of tar are attributed from spills since the early 1900's, until the company went out of business in the 1950's. 1969.

The land in between the office and storage tanks has been leveled and cleared. An open ditch borders this area along the road. Within the soil numerous large chunks of solid and gelatinous tar can be seen. Also tar was observed flowing into a ditch producing oil slicks. Iron leaching is also present.

The road from the office bisects the property. This road has been built up from the surrounding earth to form a dike around the storage tanks. In construction of this diked road layers of tar were uncovered, which have begun flowing toward the lake's edge. Two small lagoons were formed when the earth was removed for the road. These lagoons will contain the oil from running into Lake Washington.

Inside the storage tank yard the ground is saturated with oil and tar products; surface oil pools are present around a couple of the larger tanks. Mr. Norman mentioned

that rainfall and ground water runoff are a serious problem. Rainfall within the storage tank yard brings oil to the surface and this coats the tanks and pump equipment. Mr. Norman expressed future concern with the possibility of the storage tanks rusting out on the bottoms, unless an industrial waste permit can be obtained to start separation.

Inside the storage tanks are still tar deposits. We observed one tank (127 ft. diameter) that still contained three feet of tar inside. *113' Largest Dism. Tank*

When Reilly Tar and Chemical Company was in operation from the early 1900's to the late 1950's oil spills were allowed to drain towards the lake. ^{1960's} The latter years the spills were channeled to a swamp on the north section of the property. The depth of tar varies with the soil, due to the different soil condition derived from the changing creek bed of May Creek. Sand, gravel and peat make up the types of soil found in the area. *Where did they get the material?*

A tar belt from spills runs from the edge of the piers in Lake Washington to the railroad tracks. The depth ranges from surface to 40 feet deep.

On the railroad tracks two loading areas have received heavy spilling over the years. Tar products used to be pumped up from the storage yard to the railroad tracks for loading. An area north of the office has spills of heavier tar products, while the second area near the office was from lighter products. These materials will drain back towards the lake from ground water runoff. Several test holes have been sunk on the premises and the one nearest to the office that receives runoff from the most southerly spill proved to be the most toxic.

After the tour, we discussed Quendall Terminals competition with ChemPro. Mr. Norman assured us that Quendall Terminals' main intent was to solve their problem and not to solicit ~~any~~ wastes, especially bilge waters, away from ChemPro.

A meeting is planned by Quendall Terminals in May with all the regulatory agencies involved in this project. Their consultants, soil and bioassay experts, will be present. Quendall Terminals' purpose is to initiate the start and approval of the industrial waste permit so they can start rehabilitation of the land.

In the meantime a letter from Metro should be drafted stating our views and the acceptable criteria established for approving industrial waste discharge into the sewer system.

*I don't know if this letter went on or not.
Two pages is all I rec'd.
Ed*

17M Quendall Terminal, Renton

P3



CORNELL, HOWLAND, HAYES & MERRYFIELD

Business Center Building, 777-106th Ave. N. E., Bellevue, Washington 98004, Tel: 206/455-0500

Seattle Regional Office

29 June 1973

Project No. S8053.0

Department of Ecology
State of Washington
Redmond Regional Office
15345 Northeast 36th Street
Redmond, Washington 98052

Attention: Mr. Thomas J. McCann

Gentlemen:

Subject: Port ~~Quendall~~ Discharge Permit Application

On 14 June 1973, I delivered a discharge permit application to your office on behalf of Port Quendall. The application encompassed two projects: one project concerning the cleanup operation of the oil-polluted Reilly Tar and Chemical Company site; the other project was concerned with the discharge from an existing waste oil process to the Metro sewer. In response to this application, I received a copy of your letter dated 27 November 1972, concerning certain barging of bilge water and waste oils on Lake Washington which are topics unrelated to the application mentioned above. If after reviewing this application your office has reservations about issuing the discharge permits requested, I would appreciate a list of your comments so we can consider appropriate revisions to the application.

Sincerely,

Michael L. Doleac

Michael L. Doleac

rk

6-5
For Office Use Only

Type
 Permit No.
 Date rec'd
 Date Issued
 Date Expired
 New Renewal.....
 DOE Drainage Basin
 Expired Permit No.
 Advertising needed

DEPARTMENT OF ECOLOGY
 State of Washington

Application is hereby made for a permit to discharge wastes into the state waters in accordance with Chapter 90.48 RCW and Chapter 372.24 WAC.

A. Name of Company Quendall Terminals
 B. Mailing Address Box 477 Renton 98055
 C. Location of Plant Discharging Waste if Different From Above _____
 _____ Phone 271-1540
 D. Specific Type of Industry Pollution Abatement and Oil Recovery and recycling
 E. Name of Waterway Receiving Waste Discharge Lake Washington and Metro Trunk
 F. Location of Industrial Waste Discharge Point (s) Gov Lot 4 Sect 29
Township 24 Range 5
 G. Raw Water Supply: Source City of Renton Volume * Gallons/Day
 G.1 Authorization For Use: Recorded Right No. _____ Public Supply X
 Other see B-3 enclosed
 (Specify)

H. Waste Discharge Volumes:	Average Gallons/Day	Maximum Gallons/Day
Industrial Processing	<u>22,000</u>	<u>33,000</u>
Cooling	<u>0</u>	<u>0</u>

I. Plant Operation:	Days per Year	Number of Employees per Shift		
		Day	Night	Swing
Average	<u>250</u>	<u>12</u>	<u>3</u>	<u>3</u>
Maximum	<u>365</u>	<u>18</u>	<u>4</u>	<u>4</u>

J. Raw Materials and Chemicals Used in Processes:

Brand Name	Chemical, Scientific or Actual Name	Quantity Used Per Day*	
		Average	Maximum
_____	<u>Polyglycol ether</u>	<u>2 gal/day</u>	<u>15 gal/day</u>
_____	<u>Sulphuric Acid</u>	<u>200 gal/day</u>	<u>600 gal/day</u>

* See enclosed exhibits B-2; also C 4 and 5; B-3

K. Production:

Quantity Produced Per Day*

Item	Average	Maximum
<u>Anhydrous Ammonia</u>	<u>5 gal/day</u>	<u>7 gal/day</u>
<u>Filter Clay</u>	<u>1200 pounds/day</u>	<u>2,000 pounds/day</u>
<u>Waste Lubricating Oil 20% water</u>	<u>10,000 g/d</u>	<u>20,000 g/d</u>
<u>Waste fuel oil 90% water</u>	<u>10,000 gal/day</u>	<u>20,000 g/d</u>

L. Sanitary Wastes: Treatment _____ Discharged to Metro Trunk

M. Explain any seasonal variation in waste discharge volumes, plant operations, raw materials and chemicals used in processes, and/or production: _____

slight fall off in winter months

N. Give a detailed description of the sources of all industrial wastes within your industry. Describe in detail the treatment given each of these wastes. Include in this description the disposal methods used for these wastes and also for any sludge collected by your waste treatment system. Include a schematic flow diagram showing the sources of all wastes and their flow pattern. Submit this information with your application as Exhibit 1. see also exhibit B-5 enclosed

O. Describe in detail the physical and chemical properties of the effluent to be discharged into state waters. Include in this description the sampling and analytical methods used to derive this information. Submit this information with your application as Exhibit 2. see exhibit B-5 enclosed also E-1.

P. Briefly describe any additional treatment or changes in waste disposal methods you are planning or have under construction. Submit this information as Exhibit 3. Include all information for previous questions, where additional space is necessary as part of Exhibit 3. Also include any additional information or comments you feel necessary to clarify this application with Exhibit 3. re exhibits referenced above

The information given on this application is complete and accurate to the best of my knowledge.

Signature

Printed

Title

Date

*Please specify units. For example: Tons per day, pounds per day, barrels per day.

TO: _____

FROM: _____

SUBJECT: Exhibit 1

Our raw material will be oily waste water from cleaning operations in fuel & diesel oil tanks, a float and a shore. Our process will consist of addition of de-emulsifier as required, agitation, and settling, to separate oil and water. The oil will be sold as fuel. The water will be skimmed and filtered as required to make it acceptable to Metro. The principle impurity in the water will be salt (sodium chloride) since some of the raw material will come from ships tanks in which sea water has been used as ballast. We anticipate being able to discharge water at less than ¹⁰⁰~~150~~ ppm oil. We do not anticipate any substantial sludge problem. Any sludge produced would consist of carbon, dirt, and scale (iron oxide). Disposition would be to incineration or land fill.

INTER-OFFICE CORRESPONDENCE

PLANT

DATE

TO:

FROM:

SUBJECT: Exhibit 2

The effluent going to Motro will consist of water, an unknown but small portion of which will be sea water. It will contain not over ~~100~~ 150 ppm oil, and perhaps 10 ppm biodegradable emulsifier (Tergitol S). It is our intention to screen our receipts to eliminate heavy metals or other toxic substances. Sampling and analysis will be as required by Motro.

To: Donald O. Norman
Quendall Terminal Company

From: R. E. Nakatani, Consultant

Notes on Meeting - July 17, 1973
Department of Ecology, N. W. Regional Office
1545 N. E. 36th, Redmond, Washington

Purpose: To discuss Quendall Terminal pollution abatement
facility

Attendees: Department of Ecology (DOE)
Tom McCann, District Engineer
Bill Burwell, Engineer
Bob Aggas, Geologist
Craig S. Baker, Fishery Biologist

Consultants: Carl Ryden - CH2M/Hill
Jay Mackie - Treatment
Niel Twelker - Soils, dikes, groundwater
Mike Weston - Dredging
Roy E. Nakatani - Bioassay

This memo highlights the different subjects discussed as I can recall, for your information. Much of the discussion centered on engineering problems and I will assume CH2M/Hill will provide you additional inputs and details about the meeting.

Two problem areas: At the outset, to clarify the areas for discussion, two subjects, namely (1) construction of dikes, treatment ponds, dredging, etc., and (2) construction of the waste-oil treatment plant, were identified as separate items. One reason for this separation is simply the different procedural requirements for obtaining different permits. The permit for dredging, dikes, and other activities in the lake will be largely in the domain of the U.S. Corp of Engineers, although other federal and state regulatory agencies will have their input. For the second case, the Department of Ecology will be largely responsible and concerned about the construction and operation of the waste-oil treatment plant.

Construction of dikes, dredging, etc. This over-all subject was of most concern to DOE from an engineering aspect and apparently from a "policy" aspect. Without getting into details, I got a strong impression that DOE was basically against any dredging operations in the lake. I can understand the general position of opposing any plan where the spoils from the dredging are to be used on land.

A number of engineering type questions were asked about the proposed plan for the dike and treatment ponds that CH2M responded to. DOE requested discussion and a formal submission of different alternates to construction of dikes and treatment ponds. They said the alternates are not discussed in the Final Draft of the Impact Statement (I have a preliminary draft, but not the final report). I believe this request is legitimate since the NEPA Act explicitly states the need for studies and examinations (cost-benefits) of alternates. Alternates discussed included a system of well-points on land to pump the waste hydrocarbons, and construction of a sheet-piling in lieu of a dike. CH2M plans to respond to these alternatives.

Toxicity problems: Several questions directed to me were quite general and not very specific. I scoped the problem by stating that no biological problems are expected if the engineering projects provide the necessary assurance of hydrocarbon containment and no contamination of the lake. There is no question about the

toxicity to fish from some of the hydrocarbons present, but the plans call for no contamination. Further, knowledge of the movement and behavior of the young and adult sockeye salmon, in the lake, for example, provides information when to plan the activities in the lake to avoid critical seasons. A comment by DOE was made that Professor Edmondson, U.W., and M. E. Lemier, WDF, recommended no disturbance of the lake bottom. I agreed on this recommendation if we had neither knowledge of the contaminated areas in the lake nor any engineering "back-ups" to assure containment or no contamination of the lake. Hence, we come back to the engineering aspect of the problem which needs to be evaluated by engineers of CH2M.

Present practice of transfer of oil: DOE criticized the present practice of spilling oil during transfer of oil from trucks to the storage tanks. They said it doesn't make sense on one hand to plan for clean-up of the area, and on the other hand to continue to spill oil. They suggested improved procedures and a concrete platform and collecting system for spilled oils. They also wanted to see a proposed plan to clean the surface contamination in addition to plans for hydrocarbon removal from deeper soil. DOE has general guidelines on off-loading of oil.

Waste-oil treatment plant: DOE accepted much of the presentation of the proposed plans, but wanted engineering reports for more detailed study.

Action (what needs to be done)

1. Prepare and submit reports on alternatives to proposed construction of dikes.
2. Engineering plans and reports on proposed waste-oil treatment plant.
3. Improve present practice of oil transfer.
4. Plans for surface clean-up.
5. Plan for a public hearing.

Shaughnessy & Company, Inc. MOVING CONTRACTORS

ALL TYPES OF STRUCTURAL MOVING

PHONE: (206) TE 3-0480 - UL 2-1110 - 924-0245
221 - 30th N.E. AUBURN, WASHINGTON 98002

July 23, 1974

Quendall Corporation
P.O. Box 477
Renton, Washington 98055

ATTN: Mr. Don Norman

Gentlemen:

Confirming our verbal quotation we will move two (2) 70 ft. diameter tanks from your yard in Kenndale to the Scott Paper Company in Everett for approximately \$35,000 to \$40,000 plus tax.

The above figures are based on our coming in, jacking up the tanks, loading them on a barge at your yard, barging them to the new location, unloading, and setting them on a sand base provided by others. Insurance also has been included in the above quote.

The tanks now have approximately one foot of liquid in them and this will have to be pumped and squeegeed out to our specification prior to commencement of work by Contractor.

It must be kept in mind that the quote we have provided you is only approximate as we have not seen the site at the Scott Paper Company. We look forward to the possibility of serving your firm and welcome any follow-up inquiries which you may have in this regard.

Very truly yours,

Shaughnessy & Company, Inc.

R. H. "Dick" Mattheis
Superintendent

MOVING ENGINEERS

STRUCTURAL MOVING

BUILDINGS

TRANSFORMERS

TANKS

TOWERS

MILLWRIGHTING

AltinoEPA 000382

MEMORANDUM

P6

CHECK
INFORMATION _____
FOR ACTION _____
PERMIT _____
OTHER _____

TO: Tom Evans and Files
FROM: Craig Baker
SUBJECT: INSPECTION of QUENDALL TERMINAL PROPERTY
DATE: September 5, 1974

State of
Washington
Department
of Ecology



On August 30, 1974, upon request by Gary Kruger of the City of Renton Planning Department, I conducted an inspection of the properties known as Quendall Terminal. The inspection revealed that they had altered the landscape by bulldozing a containment dike in and around the existing tank farm. There is evidence of recent draining of oil products, from the tanks, within the diked area. Storage of absorbant materials adjacent to the dock facility would indicate barging of oils to and from this area.

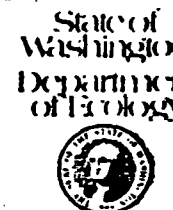
A telephone conversation the same day, with Don Norman confirmed my observations as to the dock activities and the bulldozing of containment dikes.

The third concern has to do with the storage of logs over an area adjacent to the tank farm that is saturated with a tar substance. The area has been backfilled and logs are being stored there. It is possible that the increased weight of fill material plus logs will force a migration of oils to Lake Washington.

In my opinion, they are in violation of the Shoreline Management Act due to the fact that construction has taken place within 200 ft. by the Shoreline at a obvious cost of more than \$1000.

USB:mk
9-5-74 dt

MEMORANDUM
September 24, 1974



TO: Files
FROM: Thomas J. McCann
SUBJECT: STAFF EVALUATION

APPLICANT:

Quendall Terminals
Box 477
Renton, Washington 98055

APPLICATION NUMBER:

WA- 002497-0

ACTIVITY or PRODUCTION: Real Estate Development/Storage of logs, oil, waste oil, and wood waste.

RECEIVING WATER: Lake Washington

APPLICABLE WATER QUALITY STANDARDS: Class AA

BACKGROUND:

The applicant (joint venture between Boise Cascade and J.H. Baxter) leases, with an option to buy, an industrial site near the mouth of May Creek on the east shore of Lake Washington in the City of Renton. The site is owned by Rielly Tar and Chemical Company and was formerly used to process coal and oil tars barged from the gas plant on Lake Union. Rielly Tar and Chemical Company abandoned the site without removing the contents of at least two tar storage lagoons. J.H. Baxter has covered the lagoons with cedar bark and Boise Cascade is storing logs on the site. The applicant is subleasing the storing tanks to various industries for storing fuel oil or waste lubricating oil. The net result of this activity is continual oil sheens and slicks inshore of the log storage areas operated by J.H. Baxter and Boise Cascade on Lake Washington.

The applicant proposes to rehabilitate the site with a future goal of creating a residential and recreational site at Point Quendall. The proposal includes treatment lagoons, constructed in the lake to separate oil and tar from the ground water. The treated ground water would be discharged into Lake Washington.

September 24, 1974

EVALUATION:

The applicant's proposal is highly speculative. All available reports have been voluminous sales promotions lacking in sound engineering principles. The proposal appears to be a charade to permit the continued exploitation and degradation of the Lake Washington Shoreline.

RECOMMENDATION:

1. A NPDES permit not be issued until a Shoreline permit is issued by the City of Renton.
2. An engineering report be required as part of the NPDES application.
3. The treatment facilities should be constructed landward of the current shoreline. No dredging should be allowed in Lake Washington.
4. The construction of a waste oil refinery that processes oil collected off the property should be discouraged.

TJM:sc
9-24-74 dt.

N. RTHWEST ENVIRON TENTAL SERVICES

P9

**Maritime Building
911 Western Avenue, Seattle, WA 98104
Business • (206) 622-8353**

Ref: 20-26; Tar Extracts

April 9, 1980

**Ward Roberts, Manager
Quendall Terminals
P. O. Box 477
4503 Lake Washington Blvd.
Renton, Wa. 98055**

Dear Mr. Roberts:

"Representative" sampling of the tar residue in one of your 113 foot diameter holding tanks was undertaken March 17th with your assistance. Several pounds of core samples were collected. This sample was mixed in the laboratory with a one week process of sectioning and resettling. Core samples amounting to several hundred grams of the main sample was taken and similarly mixed.

SAMPLE OVERVIEW

A sequential extraction of a sample aliquot with increasing polarity solvents was done to characterize the tar:

- 1) hexane extractable - 26.4%; highly aromatic oil
- 2) ethylacetate/hexane extractable - 26.8%; asphaltene mixture
 - a) acid extractable - 0.28%; asphaltene mixture with nitrogenous odor
 - b) base extractable - 0.55%; asphaltene mixture with phenolic odor
- 3) methanol extractable - 0.28%; oxy-asphaltene mixture
- 4) insoluble - 46.8%; carbonaceous

ENVIRONMENTAL EXTRACTS

Each of the following tests were performed on a fresh sample:

- 1) 55.43% of the tar was benzene extractable.
- 2) 0.512% of the sample was volatilized at 220° C after 24 hours
 - a) 0.557% of the same sample was volatilized after an additional 24 hours at 35° C.

Maritime Building
911 Western Avenue, Seattle, WA 98104
Business • (206) 622-8353

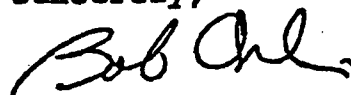
Ref:

- 3) 0.0321% of the tar was "cold" water (22° C) extractable; approximately 20% of this was floated off and not water soluble. This fraction was primarily oxidized asphaltic material with some nitrogenous matter.
- 4) 0.122% of the tar was "hot" water (35° C) extractable; approximately 50% of this was floated off and not water soluble. This also was oxidized asphaltic matter with evidence of phenols and nitrogen bases.

CONCLUSIONS

Less than 2% of the sample has the potential to be mobilized into the environment: half by volatilization, the rest by pH altered water percolation. However the potential water solubilization is heavily minimized by the overall protective non-polar nature of the tar; this reduces normal water extraction potential to 0.03% under laboratory conditions.

Sincerely,



Robert M. Orheim
Director of Laboratories

DEPARTMENT OF ECOLOGY

INSPECTION REPORT

To files
Date of Visit 1/20/76
Name of Entity Quendall Terminals
City Penland County King

Inspector MWR, KLM
Permit No. _____
Permit Expires _____
New Industry _____

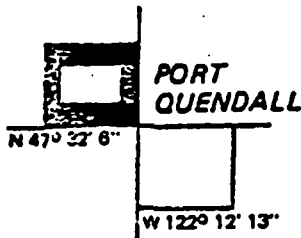
Person Contacted _____
Type of Facility Waste Oil Storage
Receiving Water Lake Washington
Type of Treatment System _____

Operation Satis _____ Fair _____ Unsatis X

Does not comply with permit conditions

Describe The site is in essentially the same condition it has been in for several years. Oil residuals continue to leach in low-lying areas. Increase activity on site was noted. Additional log storage, presumably related to Barber Mill activities, is being conducted in the filled area of the old Reilly Site. Transfer and handling of waste oil at the bulk tank storage area is less than clean. Obvious spillage and/or leakage is occurring at the facilities. It appears prevention and cleanup practices are not being employed to any extent.

CC



July 30, 1980

Environmental Protection Agency
Mail Stop 530 A
1200 6th Avenue
6th & University
Seattle, WA 98101

Gentlemen:

Some weeks ago we set out to find the most economical method of disposing of 10,000 cubic feet (more or less) of waste material in the bottom of a tank that we will soon dismantle. We quickly discovered that fear (mostly without understanding) of the regulations that you will soon be enforcing has brought a great deal of waste disposal activity, both hazardous and non-hazardous, to a near halt. Accordingly, I approached your organization and received your packet for "Notification of Hazardous Waste Activity".

I have studied this material carefully and have come to the conclusion that the subject material is not a hazardous waste according to your definitions.

The material in question is a tank bottom residue from the storage over a period of many years of Oil gas tar. Oil gas tar is a by-product of the process in which fuel gas is manufactured through the thermal cracking of the #6 fuel oil. The material in the tank consists of carbonaceous solids from the oil gas tar cemented into a solid mass by the tar.

In going through your instructions titled "How to Notify", I found first that the material is not excluded. I found second that it is listed neither in Subpart D of "Identification and Listing of Hazardous Waste", nor in the June supplement. Third, I know for a fact that the material does not meet the criteria for ignitability, corrosivity, or reactivity stated in Subpart C. Fourth, given the known manner in which the material was formed, I see no way in which it could be expected to contain any of the contaminants listed in Table 1 of 261.24 at the concentrations specified.

July 30, 1980

Page 2

It is therefore my conclusion that the material is not a hazardous waste as defined by your agency.

Last April we had some work done on the material in a local laboratory for the purpose of determining whether or not the material poses significant threat of ground water contamination. It is our conclusion based on the report (copy attached) that it does not.

Based on the considerations set forth above, it is our present intention to dispose of the material in the nearest landfill that will take it, preferably Cedar Hills or Midway.

If you take exception to any of the above, now is the time to come forward.

If you do not, any help you can give us, in the form of a letter or otherwise, in allaying the fears of the local dump operators would be greatly appreciated.

Very truly yours,

Ward Roberts

WR:vmd
Attach.

U.S. ENVIRONMENTAL PROTECTION AGENCY

REGION X

1200 SIXTH AVENUE
SEATTLE, WASHINGTON 98101



REPLY TO
ATTN: M/S 530

August 20, 1980

Mr. Ward Roberts
Manager
Quendall Terminals
P.O. Box 477
Renton, WA 98055

Dear Mr. Roberts:

We have received your letter of July 30, 1980, concerning disposal of tank bottom residues from the storage of oil gas tar.

From the information in your letter, it would appear that you have made the evaluation necessary to determine whether your waste product is subject to these new federal hazardous waste regulations.

With respect to the extract procedure toxicity characteristic, it is not clear whether the laboratory tests performed were done by the procedures specified by the EPA. However, as you indicated by phone, based on your knowledge of the formation of the tar, you have no reason to suspect failure of that characteristic under any testing method. Thus, if as you concluded, the waste fails none of the characteristics and is not specifically listed, it is not hazardous waste subject to these federal regulations.

We recognize the reluctance of some municipal landfill operators to accept wastes that they feel might be considered hazardous even where those wastes are not regulated as hazardous under these EPA requirements. However, such decisions are local ones and there is really no role for us as a federal agency to influence those decisions.

If you have additional questions, please do not hesitate to contact us.

Sincerely,

Betty A. Wiese

Betty A. Wiese
Solid Waste Management Program

cc: Tom Cook, DOE

MEMORANDUM

TO: John Conroy
FROM: Laurence Ashley *LA*
SUBJECT: ANALYTICAL DATA FOR TANK #26 AT QUENDALL
TANK FARM - SEATTLE
DATE: Sept. 29, 1980

State of
Washington
Department
of Ecology



A sample from the bottom of the above subject was delivered 9-11-80 to the laboratory for PAH analysis.

The sample was refluxed with petroleum ether for 24 hours. Three extractions were done on the sample. The results:

Sample #80-9-942 4.2 ± 0.5% PAH present

LA:kw

ECY 010-33

1142
SAMPLE #2
Sampled ~~from~~ 20 ft.
FROM CENTER OF TANK.
DEPTH OF ~~Oil~~ ESTIMATED
AT 5-6" ~~from~~ TANK
SIGNED ~~2/4~~ ~~of~~ TANK

HAZARDOUS WASTE
SAMPLE ANALYSIS REQUEST

DOE LAB NO. 80-10-1143

PRIORITY (explain) _____

PART I FIELD SECTION

DATE SAMPLED 100280

TIME HOURS

COLLECTORS _____

TELEPHONE _____

LOCATION OF SAMPLING

☒ GENERATOR

☐ HAULER

☐ DISPOSAL SITE

☐ OTHER _____

NAME OF COMPANY
OR DISPOSAL SITE

Quinol Terminals Tank 26

TELEPHONE _____

ADDRESS _____

COMPANY CONTACT _____

PURPOSE OF SAMPLING

PAH Detn

TYPE OF PROCESS PRODUCING WASTE _____

S.I.C. WASTE TYPE CODE

OTHER _____

PART II FIELD INFORMATION

SAMPLE NUMBER

TYPE OF SAMPLE
(SLUDGE, H₂O, SOIL, SEDIMENT, etc.)

OTHER FIELD INFORMATION

Sludge

Tank bottom - Tank being torn down
- eventually.

80-10-1143

S' near entrance #1

80-10-1144

#2 - 20' from center of tank

80-10-1145

#3 - Center of tank

Safety Precautions/Special Instructions

Probable PAH content

ARC.

PART III LABORATORY SECTION

RECEIVED BY

L. Ashley from U.S. Mail

DATE

101480

ANALYSIS REQUESTED

PAH.

80-10-1143 Sample #1

6.5 ± 0.7 % PAH

80-10-1144 Sample #2

2.5 ± 0.9 % PAH

80-10-1145 Sample #3

3.6 ± 1.1 % PAH

Bottom of Tank

Sample #3

Top of Tank

Sampled from
approximate center of tank

Oil too estimated to be 9-10" thick

Sample retrieved is 8" long

8-10-145

Sample #1 - Sampled from 5' near entrance
to tank -

$6.5 \pm 0.7\%$

10-28-60



HAZARDOUS WASTE
SAMPLE ANALYSIS REQUEST

80-10-1155

DOE LAB NO.

PRIORITY (explain) _____

PART I FIELD SECTION

DATE SAMPLED 101580

TIME HOURS

COLLECTORS TORY LARSON/NORTHWEST TANK SERVICE

TELEPHONE _____

LOCATION OF SAMPLING ☒ GENERATOR

☐ HAULER

☐ DISPOSAL SITE

☐ OTHER _____

NAME OF COMPANY

OR DISPOSAL SITE Quendal Terminal - Tank 23

TELEPHONE _____

ADDRESS _____

COMPANY CONTACT Ward Roberts

PURPOSE OF SAMPLING PAH Detn.

TYPE OF PROCESS PRODUCING WASTE Storage Tank/Oil, Tar, Misc. Refinery materials

S.I.C. WASTE TYPE CODE

OTHER _____

PART II FIELD INFORMATION

SAMPLE NUMBER

TYPE OF SAMPLE
(SLUDGE, H₂O, SOIL, SEDIMENT, etc.)

OTHER FIELD INFORMATION

Fluid/Tar/slug/slug

Tank bottoms - Tank being torn down
& moved to Pasco

Safety Precautions/Special Instructions Highly flammable PAH content

[Signature]

PART III LABORATORY SECTION

RECEIVED BY L. Ashby from J. Conroy

DATE 101580

ANALYSIS REQUESTED

80-10-1155 16.3 ± 1.4% PAH



STATE OF
WASHINGTON

Dixy Lee Ray
Governor

DEPARTMENT OF ECOLOGY

4350 150th Ave. N.E., Redmond, Washington 98052 206/885-1900

MEMORANDUM

August 29, 1980

TO: Jim Knudson
FROM: John Conroy *JC.*
SUBJECT: Quendal Terminal Tar Evaluation

Coincidental with the "hoopla" re Polycyclic Aromatics raised by Chem Pro we have this like problem from Mr. Ward Roberts of Quendal Terminals. Jim Knudson and I discussed part of this on the phone August 27, 1980. Subsequently Mr. Roberts came here to the Redmond office (August 28, 1980) and furnished us with the attached correspondence pertinent to the problem at a meeting with myself, E. Sanborn and Larry Ashley of the Northwest Laboratories.

It was agreed that our Labs will evaluate samples of Mr. Roberts material. It was further agreed that because of "manhole" limitations that one of our "slim" sampling experts from the Olympia office would be the most suitable member to go and get the samples as soon as possible.

It is probably appropriate that due to the similarity of concerns these two separate interests (i.e. Quendal and Chem Pro) be given mutual consideration as far as the specific parameters required in our Polycyclic Aromatic Hydrocarbon area of WAC 173-302.

I would appreciate your comments on this and also would like to know when sampling can be effected and by whom.

JC:bh

cc: Tom Cook
Gary Burgger
Eldon Sanborn

Attachments



REDMOND ENVIRONMENTAL LABORATORY

DATA SUMMARY

ORIGINAL TO:

LAB FILES

COPIES TO:

J. Conroy
G. Bruggen
M. McCall

SOURCE Quinalah Terminal/King Co.

PROGRAM NUMBER 0301 1 1473

DATE SAMPLED 8/5/1982

DATE RECEIVED 8/5/1982

COLLECTED BY Lowkille/Gar-asm

Sample (Log) Number	Standard Deviation ±%	828-1131	1132	1133	1134	1135	1136	1137	1138
Station:	±%	#11	#12	#13	#14	#15	#17	"A"	"B"
pH (units)									
Turbidity (NTU)									
Sp. Conductivity (umhos/cm)									
COD									
BOD (5 day)									
Fecal Coliform (Col./100 ml)									
Chloride as Cl									
Sulfate as SO ₄									
Total Hardness as CaCO ₃									
Total Organic Carbon (TOC)									
% Total Solids @ 60°C		50	24	49	56	26	38	NA	NA
Total Non Vol. Solids									
Total Suspended Solids									
Total Dissolved Solids									
% CH ₂ Cl ₂ Extractables		0.9%	1.1	0.4	0.7	1.9	1.0	0.2	34
Dry wt. Basis									
% Petroleum Extr. to of wet crude	±10	0.57%	0.49	0.33	0.22	0.19	0.34%	*	-
% > 3 rings 90 of wet crude	±10	0.23	0.17	ND	0.01	0.05	0.18%		> 0.22%

NOTE: All results are reported as mg/l (ppm) unless otherwise specified.
" < " is "less than" and " > " is "greater than"
est = estimate

* wt not recorded before aliquots taken.

EPA 040-2-32(b)
Rev. 5/82

AP 11 - 11...

Emf 10/26/82

SUMMARIZED BY [Signature]

DATE 8/23/1982

REVIEWED BY [Signature]

DATE 8/23/82

Date 5/7/80

SOURCE Quendol Terminal. Sludge Tank

REQUESTED BY J. Connors

LOCATION

COLLECTED BY Toby Lawson

DATE WERE (WILL BE) COLLECTED..... APPROVED BY.....

SAMPLES WILL ARRIVE: DATE 5/7/80 APPROXIMATE TIME 9³⁰ CARRIER

PRIORITY: REASONABLY SOON.....AS SOON AS POSSIBLE. X.....EMERGENCY.....

ROUTE DATA SUMMARY TO: J. Connery

ADDITIONAL INFORMATION (PROBLEM, BACKGROUND, INTERFERENCES, PATTERNS, ET

5 - expected to be water & oily sludge -

Would like to see a quick look at both phases for PAH: chlorinates

PROGRAM DESCRIPTION: Hydrocarbons; ^{3rd} ^{year} ^{level} metals

Fill out as completely as possible. Some Analyses (bacteriological, biological, BOD, etc.) and large numbers of samples must be scheduled ahead of time. Specific questions should be directed to the Analyst supervising the particular analysis desired.



MEMORANDUM

From: SPARK DETNTo: QUENDALL FILEDate: 3-16-83

(OFFICE)

(OFFICE)

Re: Meeting with ^{Bob Johnson and} Ward RobertsProject No. 516889.A0.

I met with Bob Johnson and Ward Roberts (sp?) who was the former Reilly Tar Manager from about 1950-1970. The following are the primary points of the discussion:

- The facility on the Quendall property was primarily a refinery. Coal tar derivatives from the old Seattle Gas Works located on ~~the~~ Lake Union were barged to the site and stored in various tanks onsite over the period 1916-1970 that the facility operated. The facility consisted included a still house where the coal tar derivatives were refined into three main products: tar distillates or creosote, tar and pitch. The facility used to process about 500,000 gallons per month.
- A minimum of 2 large sumps and several smaller ones were used onsite to collect wastewater and separate out floatables and settleables prior to discharge to the lake. These two sump areas can be seen in earlier aerial photographs.
- A major spill occurred in the period 1930-1940 releasing approximately 32,000 gallons of material into Lake Washington.
- Of the two major sumps, the larger one was excavated and about 50 truck loads of material was hauled to the "Cool Creek dump". Nothing was removed from the southern sump.



MEMORANDUM

From: _____ (OFFICE)

To: _____ (OFFICE)

Date: _____

Re: _____

Project No. _____

- "hundreds of tons" of "Saturday Coke" was dumped in an area on the property near the shoreline. This material was chiseled out of the stills on Saturdays and dumped on site. Other miscellaneous garbage was also dumped in this site.
- Sodium Arsenate (Arsenic) was used as a weed control over the entire site for many years.
- Cresote was hauled out by tank truck or by rail.
- Material in sumps was from steam condensate containing distillates. Steam tubes in the stills would corrode often and distillates would contaminate the steam. This contaminated condensate would be channeled to the two sumps where the heavy material would separate and the volatiles would evaporate. It is not known if other waste material was dumped in these sumps.
- Thousands of yards of "foundry floor wastes" were used as fill material on site. This material came from PACCAR and could possibly contain some hazardous materials.
- Oil slicks have been observed in the near shore area for many years.



MEMORANDUM

From: _____
(OFFICE)

To: _____
(OFFICE)

Date: _____

Re: _____

Project No. _____

- Cleanings from storage tanks were dumped on site near tank.
- Soil types underlying site are outwash materials from May Creek. Materials are highly layered with mixtures of sand, gravel, peat, clay overlapping and intertwined. This material is non-isotropic and heterogeneous. Consequently, waste material may have migrated laterally in areas where the permeabilities of the subsurface materials.
- Ward commented that many of the materials (PNS's) are heavier than water and it would not be inconceivable to have them at depth at the site.



SUBJECT SAMPUNG CASODE
QUENDALL TERMINAL
APRIL 11, 1983

BY S. DEHN DATE P13
SHEET NO. OF
PROJECT NO. 216557

S. Dehn and M. Kemp visited Quendall Terminal, at 9:30 AM Monday, April 11, 1983. 5 samples were collected from the site.

Sample No

Description

001

"Saturday Night Coke" as described by Ward Roberts. The material was collected from the surface west of the Tank farm on top of the dike. The material is black, hard and somewhat glassy in appearance. It has air bubbles in it similar to some forms of lava.

002

"Foundry Wastes" as described by Ward Roberts. Metallic looking chips were collected on the southern dike next to where the 2 large storage tanks used to sit.



SUBJECT _____

BY _____ DATE _____
SHEET NO. _____ OF _____
PROJECT NO. _____

003

Bunker C Taken from Pipe that
was removed from the T dock.

004

"Foundry floor wastes" primarily
sand, dark in color.

005

contaminated soils approximately
20' from the SE tank. Top
several inches of crusty soil
were chipped and collected. sample
appears to be contaminated
with petroleum.

When we decide to run the analyses on these
materials, we should possibly run the following

001

PAH

002

Metals

003

PAH

004

Metals

005

PAH



MEMORANDUM

From: Mike Kemp (OFFICE)

To: Steve Dehn (OFFICE)

Date: 4/11/83

Re: Quendall Site Visit

Project No. 5 - - -

Summary of volatile organic compounds readings taken with HANU Photo-ionizer during 4/11 site visit. (Instrument span set on 0.0)

Partly cloudy with moderate breeze from south.

Background level 1.5 - 2.5 ppm throughout entire site at fence level.

Surface soil level same as background except in diked tank farm area.

In diked area, soil level in southeast corner 7 ppm. Other stained areas within dike 2 - 4 ppm.

Pipe and spillage south of tank area (identified as low grade fuel oil) 4 - 8 ppm.

Pipe at SE corner of tank area (unidentified substance) 20 ppm inside.

Tank (\approx 500 gal.) $\frac{1}{2}$ filled with wadded unidentified sludge located immediately south of large tanks in diked area - 40 ppm - background levels not exceeded until probe placed in tank.



MEMORANDUM

From: Kemp (OFFICE)

To: Dehn (OFFICE)

Date: _____

Re: Quenda II

Project No. _____

The 500 gallon tank should be considered hazardous. Recommend Level "B" protection if it is sampled or otherwise disturbed.

Similarly, if the pipes, cans and other containers are sampled or disturbed, Level "C" as a minimum should be used.

Excavation within the diked tank area should be at Level "C" until more information is gained by monitoring during the digging. Recommend a GC/MS scan of the soil sample collected in the SE corner to identify actual compounds. Level "C" might not be required if this is done.

In remaining area continuous monitoring is absolutely necessary. Apparently some pipe remain that could contain hazardous substances. Suggest that 5 ppm limit above background at face level may be lower than needed particularly if compounds have been identified, but certainly no higher than 10 ppm above background should be allowed at face level.

METRO HAULING, INC.

Serving... Washington, Oregon, Idaho, Montana & Utah

Material to Thychoff

1st Truck 530 gal diesel - 530 parts
mix oil & 1940 CNO - 4000 total
1000 gal C -

2nd 5000 gal CNO.

3rd 2300 - / 9240 CNO
1940 CNO
1100 C

Chen Secusity - local man
Alex Cook said Benton permit
has expired

1000 C

530 diesel

530 parts mix

2060 gal C @ 45¢

1940 CNO

535.9851

9240 C

Portland 9240

2281223

221-0526930

Seattle
872-8770

Tacoma
383-4455

Seattle Washington Watts 1-800-562-0920

Spokane Washington Watts 1-800-572-4314

METRO HAULING, INC

Serving... Washington, Oregon, Idaho, Montana & Utah

7-26-83

Rich Lee - Crosby Overton

Spent to date \$4616⁰⁰

Est \$22,490⁰⁰ more to complete

#1	Tank Bunker C. 3 day	@ 2249 ¹⁰	= 6747 ³⁰
#2	✓ CNO	-	6747 ³⁰
#3			
#4	2 day	}	4498 ²⁰ 2249¹⁰
#5			
#7	1 day	}	2249 ¹⁰
#11	1 day	}	2249 ¹⁰

Approx - 2500 gal left in Bunker C. tank
 of Solid material worth \$125⁰⁰ @ 4.5¢ gal
 Cost to get out \$1800⁰⁰ to \$2000⁰⁰

Seattle
872-8770

Cacoma
383-4455

Spokane
535-9851

Portland
222-1223
221-0525

Seattle Washington Watts 1-800-562-0920

Spokane Washington Watts 1-800-572-4314

6/8/88

Jim Hanbur —
try this

P15

QUENDALL CONSENT ORDER

OPERATIONAL HISTORY

Site Commercial Development

Before Lake Washington was lowered in 1916, the upland portion of the site was occupied by a shingle mill. Subsequently, the Quendall Terminals site was developed for creosote manufacturing by Republic Creosote in 1916. Republic Creosote, which became Reilly Tar and Chemical, initially operated a small, coal tar creosote manufacturing facility from 1916, at the earliest, to approximately 1969. The creosote manufacturing facilities were gradually expanded over time to the largest areal extent in the 1950's. Following 40 years of expansion, the facility went into gradual decline until closure in 1969.

Since 1969, the Quendall Terminals site has been operated commercially as a log-decking operation and as a used oil storage facility. As a log-decking facility, no chemical usage occurred at the site. Used oil storage occurred during the years 1969 to ____ in existing tankage which remained on the site at the shutdown of creosote manufacturing by Reilly Tar and Chemical. These tanks were finally removed in 197_.

Creosote Manufacturing

Coal tar creosote was manufactured at Quendall Terminals by a destructive distillation process using coal tar as a raw material. Coal tar was routinely purchased from the Seattle Gas Company, located on Lake Union, and shipped to Reilly Tar and Chemical. The coal tar was pumped through a transfer line at the end of the former receiving pipe trestle to storage tanks on the site.

Once coal tar was processed into creosote, the creosote was stored in tankage until shipment either by ship or possibly rail. However, because no rail spur is known to have existed on the site, it is less probable that rail shipments occurred. In any case, the bulk of creosote product was pumped through the transfer line to ships docking at the terminal.

The production of creosote from coal tar ~~was~~ undoubtedly occasioned by spills of raw material or product. Similarly, sludges and scale from reaction vessels were routinely disposed of on site. Disposal is believed to have occurred over large portions of the site in conjunction with filling, grading, and site stabilization activities.

It is also probable that a large portion of the non-creosote waste "heavy-ends" were eventually sold as paving and waterproofing tar. However, Reilly Tar and Chemical did not track the disposition of non-valued waste products. Therefore, a recorded accounting of disposed materials was not kept. However, given the long history of creosote manufacturing operations at the site, it is probable that substantial amounts of coal tar, creosote, and related waste products were either disposed or spilled on site. In addition to spills or disposal directly related to creosote manufacturing activities, evidence of spills or leaks from storage of used oil in above ground tankage during the years 1969 to ____ is probable. However, actual amounts of oil released to the environment are unknown.

CONTAMINANT SUMMARY

Although numerous geotechnical investigations have been conducted at Quendall Terminals, only one investigation of hazardous materials in soils and ground water on site has been conducted. Additionally, an offshore sediment investigation of potential hazardous wastes was also conducted by the EPA in

1983. Previous geotechnical and site development activities did not directly address hazardous wastes, although references to oil or creosote odors was reported in these subsurface investigations.

The 1983 subsurface hazardous waste investigation consisted of advancing 18 shallow borings and monitoring wells across the site and four trenches with a combined length of approximately 250 feet. Soils and ground water were principally tested for polynuclear aromatic hydrocarbons (PAH's) and the volatile organics benzene, toluene, and xylene isomers (BTX).

In general, very high levels of PAH's were found throughout the site at depths principally from 3 to 10 feet in soils. In several circumstances, PAH levels exceeded 1% or 10,000,000 parts per billion (ppb). Although PAH contamination was largely found throughout the site, the highest levels were generally concentrated in areas of industrial activity. These areas include the main creosote manufacturing and storage corridor roughly extending from the eastern property boundary due west to the dock and trestle pipeline. Areas of secondary contamination include the former May Creek channel south of the main contaminant corridor and an area north where a large sump received contaminated water in the form of reactor condensate and related effluent discharges. The May Creek channel is believed to have received intractable sludges and related manufacturing by-products not suitable for re-processing or sale.

Ground water at the site was also shown to be contaminated in the main industrial contaminant corridor with very high levels of volatile organics (BTX) in addition to lower molecular weight PAH's such as naphthalene. The lower molecular weight PAH's are more soluble in water and are more readily detected.

Although analytical methods employed in the 1983 subsurface investigation to measure PAH concentrations were non-specific, the absolute levels of PAH's and BTX compounds in both soil and water matrices are still very high in spite of the probable inaccuracy induced by analytical methods chosen for the study.

Offshore sediment sampling was also conducted by the EPA in the vicinity of the dock and pipeline trestle in 1983 . A large spill of either coal tar or creosote was reported to have occurred in the 1930's during transfer operations. It was reported that the heavier than water contaminants coated the lake bottom, but only a small remnant of this spill was described in the EPA study. However, high levels of PAH's persist in the offshore sediments of Lake Washington in the Quendall dock area as revealed by the EPA study. These high levels range from 100,000 ppb to over 1,000,000 ppb (ug/kg).

**SUMMARY OF FINANCIAL STATEMENT DOCUMENTATION
QUENDALL TERMINALS SITE**

Appendix I Document No.	Item	Obtained From	Description
Q1	U.S. income tax form #1065 for 1971, 1972, 1973, 1974, 1975, and 1977	Barbee Mill files	<ul style="list-style-type: none"> o Tank rental income 1971: \$44,993.56. o Tank rental income 1972: \$12,659.15. o Tank rental income 1973: \$23,119.30. o Tank rental income 1974: \$76,204.24. o Tank rental income 1975: \$28,080.00. o Tank rental income 1977: \$5,360.00.
Q2	QT accounting statements and comments submitted by Lawrence L. Payne for 1972, 1974, 1975, and 1977	QT files	<ul style="list-style-type: none"> o 1971 statement: QT is a joint venture of Altino Properties, Inc., and Puget Timber Co. Property acquired on June 15, 1971, for \$500,000, payable \$100,000 in annual payments. o 1972 statement (cover letter without attachments): log sorting and tank storage grossed \$55,137.27. Describes two legal actions involving QT. o 1974 statement (cover letter without attachments): storage tanks under day-by-day management of Turbo Energy Systems engaged on a month-to-month tenancy lease commencing July 9, 1974. QT receives one-half of gross income. Describe three pending legal actions involving QT. o 1975 statement (cover letter without attachments): Turbo lease terminated in December 1975; QT now operating tanks. o 1978 statement (cover letter with attachment): tank terminal revenue - \$23,271.
Q3	Evidence of computerized accounts for tank farm revenues and expenditures: 1971	Boxes at Ecology: Don Norman's old files	<ul style="list-style-type: none"> o Shows existence of account #310 for tank terminal revenue. o Shows that QT made various tank-related expenditures in 1971 including: <ul style="list-style-type: none"> - cleaning tanks #37 and #38, - tank access road and dikes, - piping for Boeing tank, - tank maintenance, - tank cleaning and drainage, - tank pipe fittings, and - repositioning tank #38.
Q4	5/28/76, Proposed Insurance Program by McRory and Co.	Boxes at Ecology: Don Norman's old files	Identifies tank farm rental income as \$26,000.00.

QT = Quendall Terminals

Form **1065**
Department of the Treasury
Internal Revenue Service
A Principal business activity
(See page 6 of instructions)
*Real Estate
operators*
B Principal product or service
(See page 6 of instructions)
*Lesser of
Tangible Property*
C Enter total assets from line
13, column (D), Schedule L
\$574,061.64

Joint Venture
U.S. Partnership Return of Income
FOR CALENDAR YEAR 1971 or other taxable year beginning
1971, and ending 1971

COPY 1971

Q1

Name
Quendell Terminals Company
Number and street
Box 477
City or town, State, and ZIP code
Renton, Wash. 98055

D Employer identification No.
(b) (6)
E Business code No. (See page 6
of instructions)
6511
F County in which located
King
G Date business commenced
Jan 1971

IMPORTANT—All applicable lines and schedules must be filled in. If the lines on the schedules are not sufficient, see Instruction Q.

		1a Gross receipts or sales \$	1b Less returns and allowances \$	Balance ▶	1c
INCOME	2	Less: Cost of goods sold (line 34, Schedule A) and/or operations (attach schedule)			2
	3	Gross profit			3
	4	Ordinary income (loss) from other partnerships, syndicates, etc. (attach statement)			4
	5	Nonqualifying dividends (attach list—see Instruction 5)			5
	6	Interest			6
	7	Rents (Schedule H)			7
	8	Royalties (attach schedule)			8
	9	Net farm profit (loss) (attach Schedule F (Form 1040))			9
	10	Net ordinary gain (loss) (line 9, Form 4797)			10
	11	Other income (attach schedule)			11
	12	TOTAL income (lines 3 through 11)			12
DEDUCTIONS	13	Salaries and wages (other than to partners)			13
	14	Payments to partners—Salaries and interest			14
	15	Rent			15
	16	Interest (attach schedule)			16
	17	Taxes (attach schedule)			17
	18	Bad debts (Schedule I if reserve method is used)			18
	19	Repairs			19
	20	Depreciation (Schedule J)			20
	21	Amortization (attach schedule)			21
	22	Depletion (attach schedule)			22
	23a	Retirement plans, etc. (other than contributions made on partners' behalf—see Instruction 23a)			23a
	23b	Employee benefit programs (see Instruction 23b)			23b
	24	Other deductions (attach schedule)			24
	25	TOTAL deductions (lines 13 through 24)			25
26	Ordinary income (loss) (line 12 less line 25) (see General Instruction G)			26	

Schedule A—COST OF GOODS SOLD (See Instruction 2)

27	Inventory at beginning of year (if different from last year's closing inventory, attach explanation)	27
28a	Purchases \$	28a
28b	Less cost of items withdrawn for personal use \$	28b
	Balance ▶	28c
29	Cost of labor	29
30	Material and supplies	30
31	Other costs (attach schedule)	31
32	Total of lines 27 through 31	32
33	Less: Inventory at end of year	33
34	Cost of goods sold. Enter here and on line 2, above	34

Method of inventory valuation ▶

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. If prepared by a person other than taxpayer, his declaration is based on all information of which he has any knowledge.

Signature of partner or member

Date

Signature of preparer other than partner or member

Address

Date

TRANS FORMS INC.

Note: Any items specially allocated to the partners should be entered in line 18 of Schedule K instead of being reflected in the numbered lines of page 1 or Schedules H through J. (See General Instruction D)

Schedule H—INCOME FROM RENTS

a. Kind and location of property	b. Amount of rent	c. Depreciation (explain in Schedule J)	d. Repairs (attach schedule)	e. Other expenses (attach schedule)
Storage tanks—oil reclaiming	44,993.56			
Log terminals	4,934.95			
Harbor lease	2,505.00			
1 Totals	52,433.51	15,579.51	15,241.16	60,353.73
2 Net income (loss) (column b less sum of columns c, d, and e). Enter here and on page 1, line 7				
(38,740.89)				

Schedule I—BAD DEBTS (See Instruction 18)

a. Year	b. Trade notes and accounts receivable outstanding at end of year	c. Sales on account	d. Current year's provision	e. Recoveries	f. Amount charged against reserve	g. Reserve for bad debts at end of year
1966						
1967						
1968						
1969						
1970						
1971						

Schedule J—DEPRECIATION (See Instruction 20)

Note: For new depreciation rules, see Form 4832 (Revised). Form 4832 (Revised) also explains the effect the new rules have on guideline lives under Rev. Procs. 62-21 and 65-13. Taxpayers using these lives: Make no entry in column b, enter amounts in column c for assets held at end of year, and enter accumulated depreciation at end of year in column d. You may (1) group depreciable assets in accordance with the categories shown below, or (2) continue to list your assets in the same manner as in prior years. IF YOU NEED MORE SPACE, USE FORM 4562.

a. Group and guideline class or description of property	b. Date acquired	c. Cost or other basis	d. Depreciation allowed or allowable in prior years	e. Method of computing depreciation	f. Life or rate	g. Depreciation for this year
1 Total additional first-year depreciation (do not include in items below). (Enter here and allocate to each partner in line 4 of Schedule K)						
2 Depreciation from Form 4832						
3 Other depreciation:						
Buildings						
Furniture and fixtures						
Transportation equipment						
Machinery and other equipment						
Other (specify)						
Schedule Attached		311,869.16	—	S.L.	10 yr.	15,579.51
4 Totals		311,869.16				15,579.51
5 Less amount of depreciation claimed in Schedules A and H						15,579.51
6 Balance—Enter here and on page 1, line 20						—

SUMMARY OF DEPRECIATION (Other than Additional First-Year Depreciation)

	Other (specify)	Declining balance	Sum of the years'-digits	Units of production	Other (specify)	Total
1 Under Rev. Procs. 62-21 and 65-13.	S.L.					
2 Depr. from Form 4832						
3 Other	15,579.51	—	—	—	—	15,579.51

Schedule K—PARTNERS' SHARES OF INCOME, CREDITS, DEDUCTIONS, ETC.

1 Give name, address, and social security number of each partner. (Designate nonresident aliens, if any.) If return of partner is filed in another Internal Revenue service center, specify service center.	2 Percentage of:
Partner A Altina Properties Inc. P.O. Box 359 Renton Wash. 98055	Profit sharing 1/2 Time devoted to business Part
Partner B Puget Timber Company P.O. Box 477 Renton, Wash. 98055	Profit sharing 1/2 Time devoted to business Part
Partner C	
Partner D	

SCHEDULE K-1
(Form 1065)

Department of the Treasury
Internal Revenue Service

Partner's Share of Income, Credits, Deductions, etc.—1972

For calendar year 1972 or fiscal year

beginning..... 1972, ending..... 19.....

(Complete for each partner—See instructions on back of Copy C)

Copy B
(For partner)

a. Distributive share item		b. Amount	c. Form 1040 filer enter col. b amount as indicated below. All other filers (1041, 1120, etc.) enter col. b amount in corresponding line of that form.
1	Salary, interest, and ordinary income (loss)	41,000.91	Sch. E, Part III
2	Additional first-year depreciation		Sch. E, Part III
3	Dividends		Sch. B, Part I, line 1
4	Short-term capital gain (loss)		Sch. D, line 2
5	Long-term capital gain (loss)		Sch. D, line 9
6	Involuntary conversions gain (loss)—casualty and theft		Form 4797, line 1
7	Involuntary conversions gain (loss)—other		Form 4797, line 3
8	Net earnings from self-employment		Sch. SE, line 8c
9	Contributions		Sch. A, line 18
10	Expense account allowance		
11	Foreign taxes		Line 58, or Sch. A, line 16
12	Taxes paid by regulated investment company		Line 70, add words "from 1065"
13	Partnership payments to retirement plan for partners		Line 49 (See Form 4848)
14	Basis of new investment property		Form 3468, line 1(a)
	(a) 3 or more but less than 5 years		Form 3468, line 1(b)
	(b) 5 or more but less than 7 years	723.42	Form 3468, line 1(c)
	(c) 7 or more years		Form 3468, line 1(d)
	Cost of used investment property		Form 3468, line 1(e)
	(d) 3 or more but less than 5 years		Form 3468, line 1(f)
	(e) 5 or more but less than 7 years	606.18	
	(f) 7 or more years		
15	Other (specify)		(Enter on applicable lines of your return)
16	Specialty allocated items:		
	(a) Short-term capital gain (loss)		Sch. D, line 2
	(b) Long-term capital gain (loss)		Sch. D, line 9
	(c) Ordinary gain (loss)		Form 4797, line 8
	(d) Other		Sch. E, Part III
17	Tax preference items:		
	(a) Accelerated depreciation real property:		
	(1) Low income rental housing		Form 4625, line 1(a)(1)
	(2) Other real property		Form 4625, line 1(a)(2)
	(b) Accelerated depreciation personal property subject to net lease		Form 4625, line 1(b)
	(c) Amortization of pollution control facilities		Form 4625, line 1(c)
	(d) Amortization of railroad rolling stock		Form 4625, line 1(d)
	(e) Amortization of on-the-job-training facilities		Form 4625, line 1(e)
	(f) Amortization of child care facilities		Form 4625, line 1(f)
	(g) Reserves for losses on bad debts of financial institutions		Form 4625, line 1(h)
	(h) Depletion		Form 4625, line 1(i)
	(i) Capital gains (losses)		
	(1) Short-term		
	(2) Long-term		

Partner's social security or employer identification number ▶ 91-0874621

Partner's name, address, and ZIP code
Altino Properties Inc.
P.O. Box 359
Renton, Wa. 98055

Enter partner's percentage of: Profit sharing ▶ 50% Time devoted to business ▶ Part

Is partner a nonresident alien? ☐ Yes ☒ No

Partnership's identifying number ▶ 91-6116317

Partnership's name, address, and ZIP code

Quendall Terminals
P.O. Box 477
Renton, Wa. 98055

Internal Revenue Service Center where the partnership files its return ▶ Ogden, Utah

Form 1065 (1977)

Enter any items specially allocated to the partners should be entered in line 16 of Schedule K instead of being reflected in the numbered lines of page 1 or Schedules D through J.
(See General Instruction D)

Schedule D—CAPITAL GAINS AND LOSSES (See Instructions for Schedule D)**Part I Short-term capital gains and losses—assets held 6 months or less**

a. Kind of property and description (Example, 100 shares of "X" Co.)	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price	e. Cost or other basis and expense of sale	f. Gain or (loss) (if loss e)
1					
2 Enter your share of net short-term gain or (loss), including specially allocated items, from other partnerships and from fiduciaries.					
3 Net short-term gain or (loss) from lines 1 and 2. Enter here and on line 4, Schedule K of Form 1065					

Part II Long-term capital gains and losses—assets held more than 6 months

4					
5 Enter your share of net long-term gain or (loss), including specially allocated items, from other partnerships and from fiduciaries.					
6 Capital gain distributions					
7 Net long-term gain or (loss) from lines 4, 5, and 6. Enter here and on line 5, Schedule K of Form 1065					

Schedule H—INCOME FROM RENTS

a. Kind and location of property	b. Amount of rent	c. Depreciation (explain in Schedule J)	d. Repairs (attach schedule)	e. Other expenses (attach schedule)
Storage Tanks - Oil Reclaiming	12,659.15			
Log Terminal	55,137.21			
Harbor Lease	1,800.00			
1 Totals	69,596.42	32,103.80	56,713.06	62,751.44
2 Net income (loss) (column b less sum of columns c, d, and e). Enter here and on page 1, line 7				82,001.82

Schedule I—BAD DEBTS (See Instruction 18)

a. Year	b. Trade notes and accounts receivable outstanding at end of year	c. Sales on account	Amount added to reserve		f. Amount charged against reserve	g. Reserve for bad debts at end of year
			d. Current year's provision	e. Recoveries		
1967						
1968						
1969						
1970						
1971						
1972						

Schedule J—DEPRECIATION (See Instruction 20) Note: If depreciation is computed by using the Class Life (ADR) System for assets placed in service after December 31, 1970, or the Guideline Class Life System for assets placed in service before January 1, 1971, you must file Form 4832 (Class Life (ADR) System or Form 5006 (Guideline Class Life System)). Except as otherwise expressly provided in income tax regulations sections 1.167(e)-11(b)(5)(vi) and 1.167(e)-12, the provisions of Revenue Procedures 62-21 and 65-13 are not applicable for taxable years ending after December 31, 1970. IF YOU NEED MORE SPACE, USE FORM 4562.
Check box if you made an election this taxable year to use ☐ Class Life (ADR) System and/or ☐ Guideline Class Life System.

a. Group and guideline class or description of property	b. Date acquired	c. Cost or other basis	d. Depreciation allowed or allowable in prior years	e. Method of computing depreciation	f. Life or rate	g. Depreciation for this year
1 Total additional first-year depreciation (do not include in items below). (Enter here and on line 2 of Schedule K)						
2 Depreciation from Form 4832						
3 Depreciation from Form 5006						
4 Other depreciation:						
Buildings						
Furniture and fixtures						
Transportation equipment						
Machinery and other equipment						
Other (specify)						
Schedule Attached		356,163.83	15,579.51	S.L.	10	32,103.80
5 Totals		356,163.83				32,103.80
6 Less amount of depreciation claimed in Schedules A and H						32,103.80
7 Balance—Enter here and on page 1, line 20						0

SUMMARY OF DEPRECIATION (Other than Additional First-Year Depreciation)

	Straight line	Declining balance	Sum of the years'-digits	Units of production	Other (specify)	Total
1 Depr. from Form 4832						
2 Depr. from Form 5006						
3 Other	32,103.80					32,103.80

Form **1065**
Department of the Treasury
Internal Revenue Service
A Principal business activity
(See page 6 of instructions)
Real Estate Operators
B Principal product or service
(See page 6 of instructions)
Lessors of Tangible Property
C Enter total assets from line 13, column (D), Schedule L

U.S. Partnership Return of Income
FOR CALENDAR YEAR 1973 or other taxable year beginning
1973, and ending 19

1973

Name
Quenda II Terminals
Number and street
P.O. Box 477
City or town, State, and ZIP code
Renton Wa 98055

D Employer Identification No.
(b) (6)
E Business Code No. (See page 6 of instructions)
6511
F County in which located
King
G Date business commenced
Jan 1971

IMPORTANT—All applicable lines and schedules must be filled in. If the lines on the schedules are not sufficient, see Instruction P.

INCOME	
1a Gross receipts or sales \$	1b Less returns and allowances \$
2 Less: Cost of goods sold and/or operations (line 34, Schedule A)	Balance
3 Gross profit	
4 Ordinary income (loss) from other partnerships, syndicates, etc. (attach statement)	
5 Nonqualifying dividends (attach list—see Instruction 5)	
6 Interest	
7 Rents (Schedule H)	
8 Royalties (attach schedule)	
9 Net farm profit (loss) (attach Schedule F (Form 1040))	
10 Net ordinary gain (loss) (line 9, Form 4797)	
11 Other income (attach schedule)	
12 TOTAL income (lines 3 through 11)	
DEDUCTIONS	
13 Salaries and wages (other than to partners)	
14 Payments to partners—Salaries and interest	
15 Rent	
16 Interest (attach schedule)	
17 Taxes (attach schedule)	
18 Bad debts (Schedule I if reserve method is used)	
19 Repairs	
20 Depreciation (Schedule J)	
21 Amortization (attach schedule)	
22 Depletion (attach schedule)	
23a Retirement plans, etc. (other than contributions made on partners' behalf—see Instruction 2a)	
23b Employee benefit programs (see Instruction 23b)	
24 Other deductions (attach schedule)	
25 TOTAL deductions (lines 13 through 24)	
26 Ordinary income (loss) (line 12 less line 25) (see General Instruction G)	

Schedule A—COST OF GOODS SOLD AND/OR OPERATIONS (See Instruction 2)

27 Inventory at beginning of year (if different from last year's closing inventory, attach explanation)	27
28a Purchases \$	28b Less cost of items withdrawn for personal use \$
29 Cost of labor	Balance
30 Material and supplies	
31 Other costs (attach schedule)	
32 Total of lines 27 through 31	
33 Less: Inventory at end of year	
34 Cost of goods sold. Enter here and on line 2, above	

Method of inventory valuation

Was there any substantial change in the manner of determining quantities, costs or valuations between the opening and closing inventories? **D.N.A.** ☐ Yes ☐ No

If "Yes," attach explanation.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. If prepared by a person other than partner or member, his declaration is based on all information of which he has any knowledge.

Altino P. Ray, Inc. **Al. Cuyun** **Sec** **3-21-74**
Signature of partner or member Date
L. L. Layman **CPh** **Wood Bldg.** **97-0689413** **3/20/74**
Signature of preparer other than partner or member Preparer's address Emp. Ident. or Soc. Sec. No. Date

Note: Any items specially allocated to the partners should be entered in line 16 of Schedule K instead of being reflected in the numbered lines of page 1 or Schedules D through J. (See General Instruction O)

Schedule D—CAPITAL GAINS AND LOSSES (See Instructions for Schedule D)**Part I Short-term capital gains and losses—assets held 6 months or less**

a. Kind of property and description (Example, 100 shares of "Z" Co.)	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price	e. Cost or other basis and expense of sale	f. Gain or (loss) (if less e)
1					
2	Partnership's share of net short-term gain or (loss), including specially allocated items, from other partnerships and from fiduciaries				
3	Net short-term gain or (loss) from lines 1 and 2. Enter here and on line 4, Schedule K of Form 1065				

Part II Long-term capital gains and losses—assets held more than 6 months

4					
5	Partnership's share of net long term gain or (loss), including specially allocated items, from other partnerships and from fiduciaries				
6	Capital gain distributions				
7	Net long-term gain or (loss) from lines 4, 5, and 6. Enter here and on line 5, Schedule K of Form 1065				

Schedule H—INCOME FROM RENTS (If more space is needed Form 4831 may be used)

a. Kind and location of property	b. Amount of rent	c. Depreciation (explain in Schedule J)	d. Repairs (attach schedule)	e. Other expenses (attach schedule)
Storage Tanks - Oil	23,119.30			
Log Terminal	12,117.33			
Harbor Lease	1,800.00			
1 Totals	73,036.63	32,966.10	36,155.97	137,388.16
2 Net income (loss) (column b less sum of columns c, d, and e). Enter here and on page 1, line 7				
133,473.60				

Schedule I—BAD DEBTS (See Instruction 18)

a. Year	b. Trade notes and accounts receivable outstanding at end of year	c. Sales on account	d. Current year's provision	e. Recoveries	f. Amount charged against reserve	g. Reserve for bad debts at end of year
1968						
1969						
1970						
1971						
1972						
1973						

Schedule J—DEPRECIATION (See Instruction 20) If more space is needed use Form 4562. Note: If depreciation is computed by using the Class Life (ADR) System for assets placed in service after December 31, 1970, or the Guideline Class Life System for assets placed in service before January 1, 1971, file Form 4812 (Class Life (ADR) System or Form 5006 (Guidelines Class Life System)). Except as otherwise expressly provided in income tax regulations sections 1.167(a)-11(b)(3)(iv) and 1.167(a)-12, the provisions of Revenue Procedures 62-21 and 65-13 are not applicable for taxable years ending after December 31, 1970.

Check box if partnership made an election this taxable year to use ☐ Class Life (ADR) System and/or ☐ Guideline Class Life System.

a. Group and guideline class or description of property	b. Date acquired	c. Cost or other basis	d. Depreciation allowed or allowable in prior years	e. Method of computing depreciation	f. Life or rate	g. Depreciation for this year
1 Total additional first-year depreciation (do not include in items below). (Enter here and on line 2 of Sch. K)						
2 Depreciation from Form 4832						
3 Depreciation from Form 5006						
4 Other depreciation:						
Buildings						
Furniture and fixtures						
Transportation equipment						
Machinery and other equipment						
Other (specify)						
Schedule Attached	Var	357,660.80	42,683.31	SL	10	32,966.10
5 Totals		357,660.80				32,966.10
6 Less amount of depreciation claimed in Schedules A and H						32,966.10
7 Balance—Enter here and on page 1, line 20						0

SUMMARY OF DEPRECIATION (Other than Additional First-Year Depreciation)

	Straight line	Declining balance	Sum of the years-digits	Units of production	Other (specify)	Total
1 Depreciation from Form 4832						
2 Depreciation from Form 5006						
3 Other	32,966.10	-	-	-	-	32,966.10

COPY

Form **1065**
Department of the Treasury
Internal Revenue Service**U.S. Partnership Return of Income**
FOR CALENDAR YEAR 1974 or other taxable year beginning**1974**A Principal business activity
(See page 6 of instructions)
Real Estate Operators

Name

Quendall TerminalsB Principal product or service
(See page 6 of instructions)**Lessors of
Real Property**

Number and street

P.O. Box 477C Enter total assets from line
13, column (D), Schedule L

City or town, State, and ZIP code

\$657,048.32 Renton Wa 98055D Employer identification no.
(b) (6)E Business code no. (See page 6
of instructions)**6511**

F County in which located

King

G Date business commenced

Jan 1971**IMPORTANT**—Fill in all applicable lines and schedules. If the lines on the schedules are not sufficient, see Instruction P. Enter any items specially allocated to the partners on Schedule K, line 16, instead of the numbered lines on this page or in Schedules D through L. (See General Instruction O.)

		1a	1b	Balance	1c
INCOME	1a Gross receipts or sales \$				1
	2 Less: Cost of goods sold and/or operations (line 34, Schedule A)				2
	3 Gross profit				3
	4 Ordinary income (loss) from other partnerships, syndicates, etc. (attach statement)				4
	5 Nonqualifying dividends (attach list—see Instruction 5)				5
	6 Interest				6
	7 Rents (Schedule H)				7
	8 Royalties (attach schedule)				8
	9 Net farm profit (loss) (attach Schedule F (Form 1040))				9
	10 Net ordinary gain (loss) (Form 4797, line 9)				10
	11 Other income (attach schedule)				11
	12 TOTAL income (lines 3 through 11)				12
DEDUCTIONS	13 Salaries and wages (other than to partners)				13
	14 Payments to partners—Salaries and interest				14
	15 Rent				15
	16 Interest (attach schedule)				16
	17 Taxes (attach schedule)				17
	18 Bad debts (Schedule I if you use reserve method)				18
	19 Repairs				19
	20 Depreciation (Schedule J)				20
	21 Amortization (attach schedule)				21
	22 Depletion (attach schedule)				22
	23a Retirement plans, etc. (other than contributions made on partners' behalf—see Instruction 23a)				23a
	23b Employee benefit programs (see Instruction 23b)				23b
	24 Other deductions (attach schedule)				24
	25 TOTAL deductions (lines 13 through 24)				25
26 Ordinary income (loss) (line 12 less line 25) (see General Instruction G)				26	

Schedule A—COST OF GOODS SOLD AND/OR OPERATIONS (See Instruction 2)

	27	28a	28b	Balance
27 Inventory at beginning of year (If different from last year's closing inventory, attach explanation)				
28a Purchases \$				
28b Less cost of items withdrawn for personal use \$				
29 Cost of labor				
30 Material and supplies				
31 Other costs (attach schedule)				
32 Total of lines 27 through 31				
33 Less: Inventory at end of year				
34 Cost of goods sold. Enter here and on line 2, above				

Inventory valuation method ▶

Was there any substantial change in the way you determined quantities, costs or valuations between the opening and closing inventories? **D-N-A** ☐ Yes ☐ No

If "Yes," attach explanation.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. If prepared by a person other than partner or member, his declaration is based on all information of which he has any knowledge.

Signature of partner or member
L. L. Payne
Signature of preparer other than partner or member

Preparer's address

**Wood Bldg.
Renton, Wa 98055**

(b) (6)

Emp. ident. or soc. sec. no.

Date

4/7/75

Date

COPY

AltinoEPA 000419

Schedule D—CAPITAL GAINS AND LOSSES (See Instructions for Schedule D)**Part I Short-term capital gains and losses—assets held 6 months or less**

a. Kind of property and description (Example, 100 shares of "Z" Co.)	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price	e. Cost or other basis and expense of sale	f. Gain or (loss) (d less e)
1					
2					
3					

2 Partnership's share of net short-term gain or (loss), including specially allocated items, from other partnerships and from fiduciaries

3 Net short-term gain or (loss) from lines 1 and 2. Enter here and on Schedule K (Form 1065), line 4

Part II Long-term capital gains and losses—assets held more than 6 months

a. Kind of property and description (Example, 100 shares of "Z" Co.)	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price	e. Cost or other basis and expense of sale	f. Gain or (loss) (d less e)
4					
5					
6					
7					

5 Partnership's share of net long-term gain or (loss), including specially allocated items, from other partnerships and from fiduciaries

6 Capital gain distributions

7 Net long-term gain or (loss) from lines 4, 5, and 6. Enter here and on Schedule K (Form 1065), line 5

Schedule H—INCOME FROM RENTS (If more space is needed Form 4831 may be used)

a. Kind and location of property	b. Amount of rent	c. Depreciation (explain in Schedule J)	d. Repairs (attach schedule)	e. Other expenses (attach schedule)
Storage Tanks—Oil	76,204.24			
Log Terminal	66,341.26			
Harbor Lease	450.00			
1 Totals	142,995.50	37,912.46	19,956.60	104,475.80
2 Net income (loss) (column b less total of columns c, d, and e). Enter here and on page 1, line 7				(10,349.36)

Schedule I—BAD DEBTS (See Instruction 18)

a. Year	b. Trade notes and accounts receivable outstanding at end of year	c. Sales on account	Amount added to reserve		f. Amount charged against reserve	g. Reserve for bad debts at end of year
			d. Current year's provision	e. Recoveries		
1969						
1970						
1971						
1972						
1973						
1974						

Schedule J—DEPRECIATION (See Instruction 20) If more space is needed use Form 4562. Note: If you compute depreciation by using the Class Life (ADR) System for assets placed in service after December 31, 1970, or the Guideline Class Life System for assets placed in service before January 1, 1971, (Use Form 4832 (Class Life (ADR) System) or Form 5006 (Guidelines Class Life System)). Except as otherwise expressly provided in income tax regulations sections 1.167(a)-11(b)(5)(vi) and 1.167(b)-12, the provisions of Revenue Procedures 62-21 and 65-13 are not applicable for taxable years ending after December 31, 1970.

Check box if partnership made an election this taxable year to use ☐ Class Life (ADR) System and/or ☐ Guideline Class Life System.

a. Group and guideline class or description of property	b. Date acquired	c. Cost or other basis	d. Depreciation allowed or allowable in prior years	e. Method of computing depreciation	f. Life or rate	g. Depreciation for this year
1 Total additional first-year depreciation (do not include in items below). (Enter here and on Sch. K, line 2)						
2 Depreciation from Form 4832						
3 Depreciation from Form 5006						
4 Other depreciation:						
Buildings						
Furniture and fixtures						
Transportation equipment						
Machinery and other equipment						
Other (specify) See						
Schedule Attached	Var	430,980.02	80,545.86	S.L.	Var	37,912.46
5 Totals		430,980.02				37,912.46
6 Less amount of depreciation claimed in Schedules A and H						37,912.46
7 Balance—Enter here and on page 1, line 20						

Form **1065**
Department of the Treasury
Internal Revenue Service

U.S. Partnership Return of Income
FOR CALENDAR YEAR 1975 or other taxable year beginning
1975, and ending 1975

1975

A Principal business activity
(See page 7 of instructions)
Real Estate Operation
B Principal product or service
(See page 7 of instructions)
Lesser of Real Property

Name
Quendall Terminals

Number and street
P.O. Box 477

City or town, State, and ZIP code
Renton Wa 98055

D Federal identification no.
(b) (6)

E Business code no. (See page 7 of instructions)
6511

F Date business commenced
Jan 1971

G Enter total assets from line 13, column (D), Schedule L
\$703,006.18

IMPORTANT—Fill in all applicable lines and schedules. If the lines on the schedules are not sufficient, see Instruction P. Enter any items specially allocated to the partners on Schedule K, line 15, instead of the numbered lines on this page or in Schedules D through J. (See General Instruction O.)

INCOME	
1a Gross receipts or sales \$	1b Less returns and allowances \$
2 Less: Cost of goods sold and/or operations (line 34, Schedule A)	Balance
3 Gross profit	
4 Ordinary income (loss) from other partnerships, syndicates, etc. (attach statement)	
5 Nonqualifying dividends (attach list—see Instruction 5)	
6 Interest	
7 Rents (Schedule H)	
8 Royalties (attach schedule)	
9 Net farm profit (loss) (attach Schedule F (Form 1040))	
10 Net ordinary gain (loss) (Form 4797, line 9)	
11 Other income (attach schedule)	
12 TOTAL income (lines 3 through 11)	
DEDUCTIONS	
13 Salaries and wages (other than to partners)	
14 Payments to partners—Salaries and interest	
15 Rent	
16 Interest (attach schedule)	
17 Taxes (attach schedule)	
18 Bad debts (Schedule I if you use reserve method)	
19 Repairs	
20 Depreciation (Schedule J)	
21 Amortization (attach schedule)	
22 Depletion (attach schedule)	
23a Retirement plans, etc. (other than amounts for partners—see Instruction 23a). (Enter number of plans)	
23b Employee benefit programs (see Instruction 23b)	
24 Other deductions (attach schedule)	
25 TOTAL deductions (lines 13 through 24)	
26 Ordinary income (loss) (line 12 less line 25) (see General Instruction G)	

Schedule A—COST OF GOODS SOLD AND/OR OPERATIONS (See Instruction 2)

27 Inventory at beginning of year (if different from last year's closing inventory, attach explanation)	
28a Purchases \$	28b Less cost of items withdrawn for personal use \$
29 Cost of labor	Balance
30 Material and supplies	
31 Other costs (attach schedule)	
32 Total of lines 27 through 31	
33 Less: Inventory at end of year	
34 Cost of goods sold. Enter here and on line 2, above	

Inventory valuation method

Was there any substantial change in the way you determined quantities, costs or valuations between the opening and closing inventories? **D. N. A.** ☐ Yes ☐ No
If "Yes," attach explanation.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. If prepared by a person other than partner or member, the preparer's declaration is based on all information of which the preparer has any knowledge.
Signature of partner or member **Sec Altino Properties** Date **3/23/76**
Signature of preparer other than partner or member **CPA** **232 Williams Ave SE** **Renton Wa 98055** Date **3/18/76**

Schedule D—CAPITAL GAINS AND LOSSES (See Instructions for Schedule D)**Part I Short-term capital gains and losses—assets held 6 months or less**

a. Kind of property and description (Example, 100 shares of "Z" Co.)	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price	e. Cost or other basis and expense of sale	f. Gain or (loss) (d less e)
1					
2	Partnership's share of net short-term gain or (loss), including specially allocated items, from other partnerships and from fiduciaries				
3	Net short-term gain or (loss) from lines 1 and 2. Enter here and on Schedule K (Form 1065), line 4				

Part II Long-term capital gains and losses—assets held more than 6 months

4					
5	Partnership's share of net long-term gain or (loss), including specially allocated items, from other partnerships and from fiduciaries				
6	Capital gain distributions				
7	Net long-term gain or (loss) from lines 4, 5, and 6. Enter here and on Schedule K (Form 1065), line 5				

Schedule H—INCOME FROM RENTS

a. Kind and location of property	b. Amount of rent	c. Depreciation (explain in Schedule J)	d. Repairs (attach schedule)	e. Other expenses (attach schedule)
Storage Tanks - Oil Log Terminal	28,080.00 79,136.79	41,067.82	5,774.58	93,069.48
1 Totals	98,216.79	41,067.82	5,774.58	93,069.48
2 Net income (loss) (column b less total of columns c, d, and e). Enter here and on page 1, line 7				41,695.09

Schedule I—BAD DEBTS (See Instruction 18)

a. Year	b. Trade notes and accounts re- ceivable outstanding at end of year	c. Sales on account	Amount added to reserve		f. Amount charged against reserve	g. Reserve for bad debts at end of year
			d. Current year's provision	e. Recoveries		
1970.						
1971.						
1972.						
1973.						
1974.						
1975.						

Schedule J—DEPRECIATION (See Instruction 20) If more space is needed use Form 4562. Note: If you compute depreciation by using the Class Life (ADR) System for assets placed in service after December 31, 1970, or the Guideline Class Life System for assets placed in service before January 1, 1971, file Form 4812 (Class Life (ADR) System or Form 5006 (Guidelines Class Life System)). Except as otherwise expressly provided in income tax regulations sections 1.167(a)-11(b)(5)(vi) and 1.167(a)-12, the provisions of Revenue Procedures 67-23 and 65-13 are not applicable for taxable years ending after December 31, 1970.Check box if partnership made an election this taxable year to use ☐ Class Life (ADR) System and/or ☐ Guideline Class Life System.

a. Group and guideline class or description of property	b. Date acquired	c. Cost or other basis	d. Depreciation allowed or allowable in prior years	e. Method of computing depreciation	f. Life or rate	g. Depreciation for this year
1 Total additional first-year depreciation (do not include in items below). (Enter here and on Sch. K, line 2)						
2 Depreciation from Form 4832						
3 Depreciation from Form 5006						
4 Other depreciation:						
Buildings						
Furniture and fixtures						
Transportation equipment						
Machinery and other equipment						
Other (specify)						
See Schedule Attached	Var	444,141.62	118,021.60	S.L.	Var	41,067.82
Totals		444,141.62				41,067.82
6 Less amount of depreciation claimed in Schedules A and H						41,067.82
7 Balance—Enter here and on page 1, line 20						0

Schedule D CAPITAL GAINS AND LOSSES (See instructions for Schedule D)

Part I Short-term capital gains and losses—assets held 9 months or less

a. Kind of property and description (Example, 100 shares of "Z" Co.)	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price	e. Cost or other basis and expense of sale	f. Gain or (loss) (\$ loss -)
1 _____ _____ _____	_____ _____ _____	_____ _____ _____	_____ _____ _____	_____ _____ _____	_____ _____ _____
2 Partnership's share of net short-term gain or (loss), including specially allocated items, from other partnerships and from fiduciaries					
3 Net short-term gain or (loss) from lines 1 and 2. Enter here and on Schedule K (Form 1065), line 4					

Part II Long-term capital gains and losses—assets held more than 9 months

4					
5	Partnership's share of net long-term gain or (loss), including specially allocated items, from other partnerships and from fiduciaries				
6	Capital gain distributions				
7	Net long-term gain or (loss) from lines 4, 5, and 6. Enter here and on Schedule K (Form 1065), line 5				

Schedule H—INCOME FROM RENTS (See Instruction 7)

a. Kind and location of property	b. Amount of rent	c. Depreciation (explain in Schedule J)	d. Repairs (attach schedule)	e. Other expenses (attach schedule)
Storage Tanks - Renton Wa.	5,360.00	42,354.18	349.39	272,907.17
Log Terminal - Renton Wa.	67,555.06			
1 Totals	72,915.06	42,354.18	349.39	272,907.17
2 Net income (loss) (column b less total of columns c, d, and e). Enter here and on page 1, line 7.				(242,689.68)

Schedule I—BAD DEBTS (See Instruction 18)

a. Year	b. Trade notes and accounts receivable outstanding at end of year	c. Sales on account	Amount added to reserve		f. Amount charged against reserve	g. Reserve for bad debts at end of year
			d. Current year's provision	e. Recoveries		
1972.						
1973.						
1974.						
1975.						
1976.						
1977.						

Schedule J—DEPRECIATION (See Instructions for Schedule J) If more space is needed use Form 4562.

a. Description of property	b. Date acquired	c. Cost or other basis	d. Depreciation allowed or allowable in prior years	e. Method of computing depreciation	f. Life or rate	g. Depreciation for this year
1 Total additional first-year depreciation (NOT to exceed \$2,000). (Do not include in items below, enter here and on Schedule K, line 2)						
2 Other depreciation:						
See Sched. Attached	Var.	447,223.82	296,449.60	S.L.	Var.	42,354.18
3 Totals		447,223.82				42,354.18
4 Less amount of depreciation claimed in Schedules A and H						
5 Balance—Enter here and on page 1, line 20						
						42,354.18 8

APRIL 26, 1972

ALTINO PROPERTIES INC., AND
PUGET TIMBER COMPANY
PARTNERS OF THE JOINT VENTURE OF
QUENDELL TERMINALS COMPANY

GENTLEMEN,

I HAVE MADE AN EXAMINATION OF THE ACCOUNTING AND FINANCIAL RECORDS OF QUENDELL TERMINALS COMPANY FOR THE FIRST YEAR OF OPERATIONS ENDED DECEMBER 31, 1971 AND SUBMIT MY REPORT CONSISTING OF;

MY CERTIFICATE

BALANCE SHEET, DECEMBER 31, 1971

STATEMENT OF INCOME AND EXPENSE FOR THE YEAR ENDED DECEMBER 31, 1971

MY COMMENTS AS FOLLOWS;

ALTINO PROPERTIES INC., IS A SUBSIDIARY OF BARBEE HILL CO., INC., THE OWNER OF ADJOINING PROPERTY ON THE SOUTH OF THE REILLY TAR AND CHEMICAL CO., PROPERTY AND PUGET TIMBER COMPANY IS A SUBSIDIARY OF J H BAXTER & CO., THE OWNER OF THE ADJOINING PROPERTY ON THE NORTH. QUENDELL TERMINALS COMPANY IS A JOINT VENTURE OF ALTINO PROPERTIES INC. AND PUGET TIMBER COMPANY FORMED TO LEASE, OPERATE AND NEGOTIATE THE PURCHASE OF THE REILLY TAR AND CHEMICAL CO., PROPERTY UNDER A LEASE OPTION.

A FEASIBILITY STUDY PERFORMED PRIOR TO EXERCISING THE PURCHASE OPTION DISCLOSED THAT PORTIONS OF THE LAND WERE SATURATED BY COAL TAR RESIDUES POSING A SERIOUS POLLUTION PROBLEM FROM SURFACE AND GROUND WATER RUN OFF INTO LAKE WASHINGTON. AS A RESULT OF THIS STUDY, THE ORIGINAL PURCHASE AGREEMENT WAS TERMINATED AND REILLY TAR AND CHEMICAL CO., PROVIDED A NEW PURCHASE AGREEMENT CONTAINING A FIVE YEAR HOLD HARMLESS CLAUSE COVERING DAMAGE CLAIMS RELATED TO THE COAL TAR RESIDUES. THE NEW PURCHASE AGREEMENT WAS THEN EXECUTED AND THE PROPERTY WAS ACQUIRED ON JUNE 15, 1971 FOR 500,000.00 DOLLARS, PAYABLE 100,000.00 DOLLARS ON JUNE 15, 1971 AND 100,000.00 DOLLARS PLUS INTEREST AT 5% ON EACH SUBSEQUENT YEAR UNTIL PAID.

ADDITIONAL STUDIES AND SURVEYS BY PROFESSIONAL LAND PLANNERS INDICATE THAT THIS PROPERTY WILL BE PHASED IN 8-10 YEARS FROM AN INDUSTRIAL SITE TO A MULTIPLE RESIDENTIAL AND COMMERCIAL RECREATION COMPLEX. BASED UPON THIS INFORMATION THE LIFE OF THE TANGIBLE ASSETS IS SET AT TEN YEARS AND DEPRECIATED ON THE STRAIGHT LINE METHOD.

THE PROPERTIES FACILITIES ARE AT PRESENT USED AS A LOG TERMINAL SORTING AND STORAGE COMPLEX AND FOR THE STORAGE OF USED OIL FOR REPROCESSING AND RECLAIMING. IN CONJUNCTION WITH THE USED OIL RECLAIMING OPERATIONS, PLANS AND PROCEDURES ARE BEING SET UP TO ALLEVIATE THE POLLUTION PROBLEM OF COAL TAR RESIDUES SATURATING THE LAND. ALL PLANS AND PROCEDURES ARE DISCUSSED WITH THE STATE OF WASHINGTON DEPARTMENT OF ECOLOGY AND ANY OTHER GOVERNMENTAL AGENCIES CONCERNED.

APRIL 2, 1973

ALTINO PROPERTIES INC., AND
PUGET TIMBER COMPANY
PARTNERS OF THE JOINT VENTURE OF
QUENDALL TERMINALS

GENTLEMEN:

I HAVE MADE AN EXAMINATION OF THE ACCOUNTING AND FINANCIAL RECORDS
OF QUENDALL TERMINALS FOR THE SECOND YEAR OF OPERATIONS ENDED
DECEMBER 31, 1972 AND SUBMIT MY REPORT CONSISTING OF

MY CERTIFICATE

BALANCE SHEET, DECEMBER 31, 1972

STATEMENT OF INCOME AND EXPENSE FOR THE YEAR ENDED
DECEMBER 31, 1972

MY COMMENTS AS FOLLOWS:

THE LOG TERMINAL SORTING AND STORAGE FACILITIES ARE OPERATING AS
PLANNED AND PROVIDED A GROSS INCOME OF \$55,137.27 FOR THE YEAR.

THE OIL STORAGE AND RECLAIMING OPERATIONS ARE CONSIDERABLY BEHIND
ORIGINAL PLANNED SCHEDULES AND AS A RESULT A NEW APPROACH TO LEASING
OF FACILITIES IS BEING MADE. THIS NEW PLAN IS BASED UPON QUENDALL
TERMINALS PROVIDING THE ADDITIONAL FACILITIES NECESSARY FOR THE
OIL RECLAIMING PROCESSES AND THEN LEASING THESE FACILITIES TO
OPERATORS UNDER A SMALL BUSINESS ADMINISTRATION GUARANTEE OF THE
LESSEE'S LEASE.

THE PROJECT MANAGER'S ESTIMATE OF COSTS INVOLVED ARE FROM \$500,000.00
TO \$700,000.00. A LEASE OF CERTAIN FACILITIES FROM TIME OIL CO., IN
TACOMA, WASHINGTON FOR A FIVE YEAR PERIOD AT \$1,000.00 PER MONTH AND
THE LEASE OF CERTAIN FACILITIES OF J. H. BAXTER & CO., ADJACENT TO
QUENDALL TERMINALS, FOR \$1,000.00 PER MONTH. AS OF DECEMBER 31, 1972
CONSTRUCTION PLANNING COSTS OF \$27,204.23, AS SHOWN ON THE BALANCE
SHEET, HAVE BEEN INCURRED ON THIS PROJECT.

AT PRESENT THERE ARE TWO LEGAL ACTIONS INVOLVING QUENDALL TERMINALS:

1. ICONCO INC., HAS FILED LEGAL ACTION AGAINST QUENDALL TERMINALS
TO COLLECT AN AMOUNT OF \$2,735.53 IN DISPUTE OVER CLEANING OF TANKS.
2. QUENDALL TERMINALS HAS INSTITUTED LEGAL ACTION AGAINST THE CITY
OF RENTON, METRO, KING CO., CITY OF SEATTLE AND WASHINGTON STATE
ALLEGING PROPERTY DAMAGES AS A RESULT OF THE DEFENDANTS ACTIONS.

THE HARBOR LEASE WITH THE PORT OF SEATTLE CONTINUES IN THE HOLD OVER
STATUS WITH LITTLE OR NO PROGRESS HAVING BEEN MADE IN RESOLVING THE
METHOD OF VALUATION.

THANK YOU FOR THE OPPORTUNITY TO SERVE YOU AND FOR YOUR ASSISTANCE.

SINCERELY YOURS,

L L Payne
LAURENCE L. PAYNE

APRIL 4, 1975

ALTINO PROPERTIES INC., AND
PUGET TIMBER COMPANY
PARTNERS OF THE JOINT VENTURE OF
QUENDALL TERMINALS

GENTLEMEN:

I HAVE MADE AN EXAMINATION OF THE ACCOUNTING AND FINANCIAL RECORDS
OF QUENDALL TERMINALS FOR THE FOURTH YEAR OF OPERATIONS ENDED
DECEMBER 31, 1974 AND SUBMIT MY REPORT CONSISTING OF

MY CERTIFICATE

BALANCE SHEET, DECEMBER 31, 1974

STATEMENT OF INCOME AND EXPENSE FOR THE YEAR ENDED
DECEMBER 31, 1974

STATEMENT OF CHANGE IN FINANCIAL POSITION FOR THE
YEAR ENDED DECEMBER 31, 1974

MY COMMENTS AS FOLLOWS:

THE OIL STORAGE TANKS ARE NOW UNDER THE DAY BY DAY MANAGEMENT
OF TURBO ENERGY SYSTEMS ENGAGED ON A MONTH TO MONTH TENANCY
LEASE COMMENCING JULY 9, 1974. UNDER THIS AGREEMENT QUENDALL
TERMINALS RECEIVES ONE-HALF OF THE GROSS INCOME AND PAYS ONE-HALF
OF THE REPAIR AND MAINTENANCE EXPENSES SUBMITTED FOR APPROVAL.

THE HARBOR LEASE WITH THE PORT OF SEATTLE IS STILL UNRESOLVED.

QUENDALL TERMINALS IS INVOLVED IN THREE PENDING LEGAL ACTIONS:

- 1 - QUENDALL TERMINALS VS STATE OF WASHINGTON, KING COUNTY,
CITY OF SEATTLE, CITY OF RENTON AND METROPOLITAN SEATTLE.
- 2 - QUENDALL TERMINALS VS RED-SAMM MINING CO.
ACTIONS 1 AND 2 SEEK INJUNCTIVE RELIEF AND DAMAGES FROM SILT
DEPOSITED ON QUENDALL TERMINALS PROPERTY DUE TO ACTIONS OF
DEFENDENTS ON UPPER MAY CREEK. NO TRIAL DATE SET IN EITHER
ACTION.
- 3 - ICONOCO INC. VS QUENDALL TERMINALS FOR DISPUTED VALUE OF
SERVICES PERFORMED IN TANK CLEANING IN THE AMOUNT OF
\$2,734.53 PLUS INTEREST. CAUSE WAS ORIGINALLY FILED IN
1973, NOTED FOR TRIAL DECEMBER 12, 1974 AND EXPECTED TO
BE TRIED IN THE FALL OF 1975.

NOTES RECEIVABLE DUE AFTER 1 YEAR REPRESENT 5% INTEREST BEARING
AUTHORIZED LOANS TO THE PROJECT MANAGER. THESE NOTES ARE PAYABLE
AFTER JANUARY 2, 1976.

THANK YOU FOR THE OPPORTUNITY TO SERVE YOU AND FOR YOUR ASSISTANCE.

SINCERELY YOURS,

L L Payne
LAURENCE L. PAYNE

MARCH 11, 1976

ALTINO PROPERTIES INC., AND
PUGET TIMBER COMPANY
PARTNERS OF THE JOINT VENTURE OF
QUENDALL TERMINALS

GENTLEMEN:

I HAVE MADE AN EXAMINATION OF THE ACCOUNTING AND FINANCIAL RECORDS
OF QUENDALL TERMINALS FOR THE FIFTH YEAR OF OPERATIONS ENDED
DECEMBER 31, 1975 AND SUBMIT MY REPORT CONSISTING OF

MY CERTIFICATE

BALANCE SHEET, DECEMBER 31, 1975

STATEMENT OF INCOME AND EXPENSE FOR THE YEAR ENDED
DECEMBER 31, 1975

STATEMENT OF CHANGE IN FINANCIAL POSITION FOR THE
YEAR ENDED DECEMBER 31, 1975

MY COMMENTS AS FOLLOWS:

THE MONTH TO MONTH TENANCY LEASE WITH TURBO ENERGY SYSTEMS WAS
TERMINATED IN DECEMBER 1975 AND OPERATION OF THE OIL STORAGE TANKS
IS NOW BEING CONDUCTED BY QUENDALL TERMINALS.

QUENDALL TERMINALS IS STILL INVOLVED IN TWO PENDING LITIGATIONS
INVOLVING THE SAND, SILT AND SEDIMENTATION PROBLEMS ON MAY CREEK.

AN INTERIM MONTH TO MONTH LEASE HAS BEEN AGREED UPON WITH THE PORT
OF SEATTLE AT \$541.66 PER MONTH UNTIL A LONG TERM LEASE CAN BE
NEGOTIATED.

NOTES RECEIVABLE REPRESENT 5% INTEREST BEARING AUTHORIZED LOANS
TO THE PROJECT MANAGER. THESE NOTES ARE PAYABLE AFTER JANUARY 2,
1976 AND ARE CARRIED AS OTHER ASSETS ON THE BALANCE SHEET SINCE
METHOD AND TIME FOR PAYMENT HAS NOT BEEN SETTLED.

THANK YOU FOR THE CONTINUED ENGAGEMENT AND FOR YOUR ASSISTANCE.

SINCERELY YOURS,

L L Payne
LAURENCE L. PAYNE

March 13, 1978

ALTINO PROPERTIES INC., AND
PUGET TIMBER COMPANY
PARTNERS OF THE JOINT VENTURE OF
GUENDALL TERMINALS

GENTLEMEN:

I have made an examination of the accounting and financial records of Guendall Terminals for the seventh year of operations ended December 31, 1977 and submit my report consisting of

MY CERTIFICATE

BALANCE SHEET, DECEMBER 31, 1977

STATEMENT OF CHANGES IN FINANCIAL POSITION FOR THE YEAR
ENDED DECEMBER 31, 1977

MY COMMENTS AS FOLLOWS:

Operation of tank and log terminal facilities continues to provide the only source of income in the form of rents. A new year to year lease dated January 1, 1977 with automatic renewal, unless written notice to terminate is given, has been negotiated with Seaboard Lumber Co. Seaboard Lumber Co., has also signed a sublease of the month to month lease between the Port of Seattle, lessor, and Guendall Terminals, lessee, dated December 31, 1975, and an assignment of the year to year easement between J. H. Baxter & Co., grantor, and Guendall Terminals, grantee, dated January 18, 1977.

Under the above mentioned sublease and assignment of easement Seaboard Lumber Co., pays all rents required on the original instruments and these payments are included in the log terminal income.

Prior construction planning costs in the amount of \$43,454.10 are charged to obsolete construction planning in 1977 as a result of withdrawal of the Koll Co., from a major role in direction and participation in planning of the site development. Construction planning now contains costs of graphic services, environmental and engineering studies which have a present value and a possible historical future value if updated on a regular basis.

QUENDALL TERMINALS

Balance Sheet

Pre-Audit December 31,

ASSETS

Bank	\$ 1,015
Accounts Receivable	13,022
Prepaid Insurance	3,227
Advances to J. H. Baxter & Co.	<u>50,000</u>
	\$ 67,264

Fixed Assets:-

Land	\$ 416,663
Tanks & Appurtenances	\$ 256,007
Docks & Equipment	33,909
Office Building	7,011
Office Furniture and Equipment	2,491
Log Terminal Improvements	85,767
Construction Planning	44,160
General Roads	11,021
Drainage	6,334
Security	<u>523</u>
	\$ 447,223
Less Reserve for Depreciation	<u>(328,506)</u>
	\$ 118,717
Organization Expense	\$ 535,380
Deposits	544
	<u>542</u>

TOTAL ASSETS

\$ 603,730

LIABILITIES

Advances from J. H. Baxter & Co.	\$ -
Accounts Payable	2,401
Accrued Interest	1,783
Accrued Property Taxes	-
L.I.D. Assessments - Long Term	71,378
L.I.D. Assessments - Current	<u>8,981</u>

CAPITAL

Altino Properties, Inc.	\$ 248,566
Puget Timber Company	<u>248,566</u>
	\$ 497,132
Plus: Operating Profit 1/1/79 to 12/31/79	<u>22,055</u>
	\$ 519,187

TOTAL LIABILITIES AND CAPITAL

\$ 603,730

Distribution: Alex Cugini, Jr.
Alfred X. Baxter

R. A. Johnson
Larry Payne

1/21/80

AltinoEPA 000429

QUENDALL TERMINALS

OPERATING STATEMENT

Pre-Audit December 31, 1979

Revenues:

Tank Terminal	\$ 23,271
Log Terminal	97,638
Sundry	<u>-</u>

\$ 120,909

Expenses:

Tank Lease	\$ -
Utilities	1,235
Harbor Lease	-
Security	4,455
Depreciation	42,354
Insurance	4,971
Property Taxes	6,695
Other Taxes, Licenses, Permits	-
Tank Terminal Maintenance:	
Tanks	\$ -
Tank Appurtenances	<u>-</u>
Log Terminal Maintenance:	
Log Storage Areas	\$ -
Other	<u>-</u>
Common Area Maintenance	144
Dues and Subscriptions	504
Sundry Operating Expense	500
Project Manager	11,213
Auto and Travel	1,510
Business Meals	186
Office Expenses	2,220
Telephone	2,355
Admin. Computer Service	189
Legal and Accounting	6,544
Other Professional Services	5,438
Sundry Admin. Expense	-
Secretarial & Clerical	1,400
Interest Expense	<u>6,932</u>

(98,854)

OPERATING PROFIT

\$ 22,055

Distribution: Alex Cugini, Jr.
Alfred X. Baxter
R. A. Johnson
Larry Payne

Liabilities

- ✓ 210 Notes Payable - Banks
- ✓ 211 Notes Payable - Other
- ✓ 212 Real Estate Contract - Current

- ✓ 220 Accounts Payable
- ✓ 221 Sundry Payables

- ✓ 230 Sales and Use Tax Payable
- ✓ 231 Property Taxes Payable

- ✓ 240 Accrued Insurance
- ✓ 241 Accrued Interest

- ✓ 250 Deferred Rentals

- ✓ 260 Long Term Notes
- ✓ 262 Real Estate Contract - Non Current

Capital

- ✓ 290 Altino Properties, Inc. ✓
- ✓ 291 Puget Timber Company ✓
- 296 Retained Earnings
- ✓ 299 Profit and Loss

Income

- ✓ 310 Tank Terminal Revenue
- ✓ 320 Log Terminal Revenue
- 330 Land Lease Revenue
- 340 Harbor Lease Revenue
- 390 Sundry Income

XCHRT,DAT

TY CHART, DAT

00010	100003PEOPLES NATIONAL BANK OF WN	110
00020	110003ACCOUNTS RECEIVABLE	120
00030	110003CONTRACTS RECEIVABLE	121
00040	110003NOTES RECEIVABLE	122
00050	110003CLAIMS RECEIVABLE	128
00060	110003SUNDRY RECEIVABLES	129
00070	120003PREPAID INSURANCE	130
00080	120003PREPAID TAXES AND LICENSES	131
00090	120003OTHER PREPAID ITEMS	132
00100	130003DEFERRED CHARGES	133
00110	130003DEPOSITS	140
00120	130003SUSPENSE	141
00130	200003RECEIVABLES: NON-CURRENT	150
00140	210003ORGANIZATION EXPENSE	155
00150	300003LAND	160
00160	210003TANKS AND APPURTENANCES	161
00170	210003DOCKS AND EQUIPMENT	162
00180	210003OFFICE BUILDING	163
00190	210003OFFICE FURNITURE AND EQUIPMENT	164
00200	210003LOG TERMINAL IMPROVEMENTS	170
00210	300003 ROADS	170-1
00220	300003 BULKHEAD	170-2
00230	210003 PILINGS & ANCHORS	170-3
00240	300003 STORAGE AREA	170-4
00250	300003 OTHER	170-5
00260	300003USE LAND	180
00270	210003ENGINEERING	181
00280	210003GENERA ROADS	182
00290	210003UTILITIES (NOT LOG TERM)	183
00300	210003BULKHEAD (NOT LOG TERM.)	184
00310	210003DRAINAGE	185
00320	210003SECURITY	186
00330	210003RESERVE FOR DEPRECIATION	195
00340	100004NOTES PAYABLE: BANKS	210
00350	100004NOTES PAYABLE: OTHER	211
00360	100004REAL ESTATE CONTRACT: CURRENT	212
00370	100004ACCOUNTS PAYABLE	220
00380	100004SUNDRY PAYABLES	221
00390	100004SALES & USE TAX PAYABLE	230
00400	100004PROPERTY TAXES PAYABLE	231
00410	100004ACCRUED INSURANCE	240
00420	100004ACCRUED INTEREST	241
00430	100004DEFERRED RENTALS	250
00440	200004LONG TERM NOTES	260
00450	200004REAL ESTATE CONTRACT: NON-CURR	262
00460	100005ALTINO PROPERTIES, INC.	290
00470	100005PUGET TIMBER COMPANY	291
00480	200005RETAINED EARNINGS	296
00490	300005PROFIT AND LOSS	299
00500	110001TANK TERMINAL REVENUE	310
00510	120001LOG TERMINAL REVENUE	320
00520	130001LAND LEASE REVENUE	330
00530	140001WATER LEASE REVENUE	330

TY WICOD.DAT

00100 1:TNK:CLEAN TANKS 37 & 38:
 00200 2:TNK:BOEING PIPING:
 00300 3:TNK:ACCESS ROAD AND DIKES:
 00400 4:EVN:CLEARING FOR DRILLING RIG:
 00500 5:EVN:SOIL BORING:
 00600 6:EVN:BIO ASSAY:
 00700 7:EVN:GEOLOGY:
 00800 8:LOG:GRADING:
 00900 9:EVN:HARBOR CHART & BARGE SUPPT:
 01000 10:EVN:CHEMICAL ANALYSIS:
 01100 11:EVN:SOILS BEARING:
 01200 12:ART:POND LAYOUT COORDINATION:
 01300 13:EVN:BULKHEAD ENGR:
 01400 14:EVN:AS IS PHOTOGRAPHY:
 01500 15:COM:PREFILM ARCHITECTURE:
 01600 16:CMN:FENCING:
 01700 17:TNK:TANK MAINT:
 01800 18:LOG:PILING MAINT:
 01900 19:TNK:DOCK MAINT:
 02000 20:CMN:OFFICE MAINT:
 02100 21:LOG:ROCK:
 02200 22:CMN:ELECTIRCAL UNDERGROUND:
 02300 23:TNK:TANK CLEANING:
 02400 24:LOG:LOG DECK IMPR:
 02500 25:LOG:BULKHEAD IMPR:
 02600 26:LOG:ELECTRICAL IMPR:
 02700 27:LOG:BARK CONTROL:
 02800 28:QED:OIL RECOVERY SYSTEM:
 02900 29:EVN:STREAM IMPROVEMENTS:
 03000 30:TNK:CLEAN UP AND DRAINAGE:
 03100 31:TNK:DRAINAGE PUMPS AND SUMPS:
 03200 32:ART:PUBLIC RELATIONS ABATEMENT:
 03300 33:EVN:EIS PRINTING:
 03400 34:EVN:DREDGE PLANNING:
 03500 35:LOG:COLD DECK:
 03600 36:LOG:BULKHEAD ADDITION:
 03700 37:TNK:DOCK REHAB:
 03800 38:TNK:ELECTRICAL DOCK:
 03900 39:TNK:STORM ROOM DOCK:
 04000 40:TNK:OIL CONTAINMENT BOOM:
 04100 41:TNK:PAINT TANK TOPS:
 04200 42:QED:APRON AND SUMPS:
 04300 43:TNK:PIPE FITTINGS:
 04400 44:TNK:REPOSITION TANK #38:
 04500 45:TNK:CLEAN TANK 36:
 04600 46:QED:QED CHEMICAL ENGR:
 04700 47:QED:QED COMPUTER ENGR:
 04800 48:QED:QED MARKET STUDY:
 04900 49:TNK:QED PROCESS ENGR:
 05000 50:LOG:RAIL SPIUR:
 05100 51:QED:QED APPRAISAL:
 05200 52:LOG:LOG DECK LIGHTS:
 05300 53:LOG:LOG DECK PAVING:
 05400 54:EVN:MAY CREEK SUIT:
 05500 55:COM:PRELIM MASTER PLAN:
 05600 56:QED:CHEMICAL PROCESS STUDY:
 05700 57:COM:MARINA STUDY:
 05800 58:ART:PLANT AND SOIL ANALYSIS:

00570	100002UTILITY ASSESSMENTS	410
00580	100002RENT	411
00590	100002HARBOR LEASE	415
00600	100002STEAM	420
00610	100002EQUIPMENT RENTALS	421
00620	100002SECURITY	422
00630	100002POLLUTION CONTROL	430
00640	100002DEPRECIATION	435
00650	100002INSURANCE	440
00660	100002PROPERTY TAXES	445
00670	100002OTHER TAXES, LICENSES, & PERMITS	450
00680	100002TANK TERMINAL MAINTENANCE	451
00690	100002 TANKS	460
00700	100002 TANK APPURTENANCES	460-1
00710	100002 DOCKS	460-2
00720	100002 ROADS	460-3
00730	100002 OTHER	460-4
00740	100002OUTSIDE LABOR-TANK TERM	460-5
00750	100002LOG TERMINAL MAINTENANCE	461
00760	100002 ROADS	470
00770	100002 BULKHEAD	470-1
00780	100002 PILING & ANCHORS	470-2
00790	100002 STORAGE AREA	470-3
00800	100002 OTHER	470-4
00810	100002OUTSIDE LABOR-LOG TERM	470-5
00820	100002COMMON AREA MAINTENANCE	471
00830	100002 TANKS	480
00840	100002 DOCKS	480-1
00850	100002 ROADS	480-2
00860	100002 OFFICE	480-3
00870	100002 OTHER	480-4
00880	100002OBSOLETE STUDIES & ENGRG	480-5
00890	100002SUNDRY OPERATING EXPENSES	485
00900	200002PROJECT MANAGER	490
00910	200002AUTO AND TRAVEL	510
00920	200002BUSINESS MEALS	511
00930	200002OFFICE EXPENSES	512
00940	200002TELEPHONE	530
00950	200002ADMIN COMPUTER SERVICES	531
00960	200002DU	532

	S & SUBSCRIPTIONS	540
00970	200002LEGAL AND ACCOUNTING	550
00980	200002OTHER PROF SERVICES	551
00990	200002INTEREST EXPENSE	560
01000	200002SUNDRY ADMIN EXPENSES	590
01010	200002SUNDRY ADMIN EXPENSES	590

May 28, 1976

Quendall Terminals Company
P.O. Box 477
Renton, Washington 98055



2921 EASTLAKE AVE.
SEATTLE, WA. 98102
(206) 329-8700

EDWIN C. McRORY, CPCU

Attn: Donald O. Norman
RE: Insurance Program

Dear Don:

The purpose of this letter is to lay out to you a Proposed Insurance Program covering the exposures of Quendall Terminals to be written in the following manner in the Fireman's Fund:

SECTION I

OFFICE CONTENTS

\$ 10,000 Limit
" All Risk " Perils
\$ 100.00 Deductible
Replacement Cost Endorsement on Equipment
Location: Office Building at 7841 Lake Washington Blvd. North

Premium: \$ 40.00

VALUABLE PAPERS (Above location)

\$ 50,000 Limit
" All Risk " Perils

Premium: \$ 54.00

BLANKET LOSS OF RENTS COVERAGE (applying to all locations)

\$ 35,000 Limit
100% Coinsurance Clause

A breakdown of 100% Rental Income is as follows:

Office and Lab	\$ 5,000.00
South Pier (Oil Dock and Pumper)	1,000.00
North Pier (Oil Wharf)	3,000.00
Oil Tanks (23,26,35,36,37,38)	26,000.00

COMPREHENSIVE GENERAL LIABILITY*

\$ 300,000/300,000	Bodily Injury Liability
100,000	Property Damage Liability
100,000	Property Damage Liability Aggregate

Other coverages included are:

Auto Non-Ownership
Blanket Contractual Liability **
Broad Form Property Damage
Stop Gap Liability
Water Legal Liability

* Those coverages not incorporated are Longshoreman and Harborworkers Act Coverage, Personal Injury Liability and Employees as Additional Named Insureds. Also, Contamination or Pollution Exclusion applies, except if sudden and accidental.

Premium: \$ 547.00

** Contractual Liability Coverage to include a Certificate of insurance to Burlington Northern, Inc., 176 East 5th Street, Room 830, St. Paul, Minn.

Concerning the storage agreement pertaining to Quendall Terminals location at 7841 Lake Washington Blvd. North, Renton, Washington the following apply:

1. The Lessee holds Quendall harmless for damage to Quendall's or customers property.
2. Permittee (Lessee) shall hold Burlington Northern harmless.
3. Permittee (Lessee) shall indemnify Quendall for any liability to Burlington Northern caused by Lessee.
4. Customer (Lessee) shall provide \$ 1,000,000 Bodily Injury and Property Damage Liability Insurance naming Quendall Terminal Company as an additional named insured pertaining to damages on premises and damages to customer's products stored.

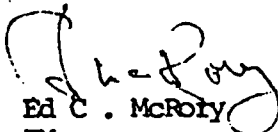
Page Three

Certificates of Insurance are to be provided to Burlington Northern, Inc., Northwest Service, Inc. and U.S. Refineries, Inc.

The key to your insurance account at this time is Hartford Umbrella Policy# CUP 186A830-4-76 renewed April 11, 1976 for \$ 1,000,000 Limit at \$ 275.00 per year. Based on this very reasonable premium in a very tight marketplace, we strongly suggest a Letter of Record to be signed transferring all policies to McRory & Company to preserve that Umbrella Policy. On June 29, 1976 a \$ 4,000,000 Excess Umbrella can be issued in the Fireman's Fund Insurance Company that would be most competitive at this time. On December 9, 1976, all property insurance in the Pacific Indemnity would be renewed in the Fireman's Fund.

We hope that this report will serve as a benefit to you and McRory & Company is afforded the opportunity of being your Insurance Broker.

Sincerely yours,


Ed C. McRory
EM:m
encl.

SCHEDULE OF CURRENT INSURANCE

COVERAGES: * Perils- Fire, ECE, V&M			Limits 100%	INS. CO.	POLICY#	TERM	PREMIUM
				Pacific Ins.	F7236911	12/9/73-76	2,356.00
Office	B**	14 574					
	E	50					
So. Pier (Oil Dock and Pumper Loading	B	5 760					
	E	50					
No. Pier (Oil Wharf)	B	26,101					
	E	50					
Tanks App's and Equip.#23(Oil Tank)	B	147693					
	E	50					
Tanks App's and Equip.#26(Tar Tank)	B	147693					
	E	50					
Tanks App's and Equip.#37(Oil Tank)	B	78592					
	E	50					
Tanks App's and Equip,#38 (Oil Tank)	B	78592					
	E	50					
Tanks App's and Equip.#35 (Oil Tank)	B	30309					
	E	50					
Tanks App's and Equip.#36 -(Oil Tank)	B	30309					
	E	50					
misc. Yard Equip. and Construction	E	35000					
Valuation Actual Cash Value							
* Replacement Cost Endorsement only location							
TOTAL		595,073					
Endorsements:							
Automatic Increase in Insurance							
(2.5% every 3 months)							

Appendix II
SUMMARY OF TASKS PERFORMED

Appendix II

SUMMARY OF TASKS PERFORMED

A summary of the tasks performed to complete the Quendall Terminals PLP search is presented below. These tasks were performed by the following project staff:

- o Kenny Stein, Ecology and Environment, Inc. (E & E), Project Manager.
- o Susan King, E & E, Technical Support.
- o Carol Slaughterbeck, Herrera Environmental Consultants, Inc., Technical Support.

September 28, 1990

Meeting/interview with Gail Colburn, Ecology project manager, at Northwest Regional office to discuss scope of work and site history. Also reviewed Gail's personal project files (see interview notes in Appendix I for details).

October 1 and 2, 1990

Reviewed remainder of Ecology files at Northwest Regional Office.

October 3, 1990

Interview with Bob Johnson (past Quendall Terminals manager) and Dean Brokav (current Quendall Terminals manager) and file review at the Quendall site (see interview notes in Appendix I for details). Greg McElroy of Schwabe, Williamson & Wyatt (Baxter's legal counsel) was present. After reviewing files for a few minutes, Greg McElroy requested that he be given the opportunity to review the files first so that he could retrieve documents subject to the attorney/client privilege. He said he would notify Kenny Stein when he was finished. Kenny Stein notified Gail Colburn of the delay.

October 5, 1990

Reviewed files at Quendall Terminals and Barbee Mills. Greg McElroy was present at both locations. Dean Brokav was present at the Quendall site. A copy machine was available at both locations free of charge as long as a duplicate set of the copied documents was later sent to Greg. Greg agreed to have two blueprints copied and sent to E & E (one illustrating site conditions in 1972, and another illustrating tank locations in the late 1970s).

October 10, 11, and 12, 1990

Reviewed 14 boxes of files at Ecology's Northwest Regional Office. These files had been compiled previously by CH2M HILL for work being conducted for Baxter and Quendall Terminals. The boxes contained some of Don Norman's (past Quendall manager) old files but most of the documents related to the Port Quendall development project. There was very little information in the boxes related to tank farm operations and lessees.

October 18, 1990

Held a telephone interview with Don Norman. See interview notes in Appendix I for details.

October 19, 1990

Held a telephone interview with Ward Roberts (past Quendall employee). See interview notes in Appendix I for details.

October 24, 1990

Called Greg McElroy to make one last attempt at locating lease agreements related to Quendall Terminals tank farm operations. He indicated that if they were not in the Quendall Terminals or Barbee Mills files, he did not know where they could be.

Contacted Gail Colburn to report that interviews and file searches had been completed and that information on tank farm lessees remained sketchy. She requested that a PLP search report be written based on current knowledge.

Note: Any items specifically allocated to the partners should be entered in line 18 of Schedule K instead of being reflected in the numbered lines of page 1 or Schedule H through J. (See General Instruction D.)

Schedule H—INCOME FROM RENTS

a. Kind and location of property	b. Amount of rent	c. Depreciation (explain in Schedule J)	d. Repairs (attach schedule)	e. Other expenses (attach schedule)
Storage tanks - oil reclaiming	44,993.56			
Log terminals	4,934.95			
Harbor lease	2,525.00			
1 Totals	52,433.51	15,579.51	15,241.16	60,353.73
2 Net income (loss) (column b less sum of columns c, d, and e). Enter here and on page 1, line 7	38,740.89			

Schedule I—BAD DEBTS (See Instruction 18)

a. Year	b. Trade notes and accounts receivable outstanding at end of year	c. Sales on account	d. Current year's provision	e. Recoveries	f. Amount charged against reserve	g. Reserve for bad debts at end of year
1966						
1967						
1968						
1969						
1970						
1971						

Schedule J—DEPRECIATION (See Instruction 20)

Note: For new depreciation rules, see Form 4832 (Revised). Form 4832 (Revised) also explains the effect the new rules have on guideline lives under Rev. Procs. 62-21 and 65-13. Taxpayers using these lives: Make no entry in column b, enter amounts in column c for assets held at end of year, and enter accumulated depreciation at end of year in column d. You may (1) group depreciable assets in accordance with the categories shown below, or (2) continue to list your assets in the same manner as in prior years. IF YOU NEED MORE SPACE, USE FORM 4562.

a. Group and guideline class or description of property	b. Date acquired	c. Cost or other basis	d. Depreciation allowed or allowable in prior years	e. Method of computing depreciation	f. Life or rate	g. Depreciation for this year
1 Total additional first-year depreciation (do not include in items below). (Enter here and allocate to each partner in line 4 of Schedule K)						
2 Depreciation from Form 4832						
3 Other depreciation:						
Buildings						
Furniture and fixtures						
Transportation equipment						
Machinery and other equipment						
Other (specify)						
Schedule Attached		311,869.16		S.L.	10 yr.	15,579.51
4 Totals		311,869.16				15,579.51
5 Less amount of depreciation claimed in Schedules A and H						15,579.51
6 Balance—Enter here and on page 1, line 20						

SUMMARY OF DEPRECIATION (Other than Additional First-Year Depreciation)

	Other (specify)	Declining balance	Sum of the years'-digits	Units of production	Other (specify)	Total
1 Under Rev. Procs. 62-21 and 65-13	S.L.					
2 Dep. from Form 4832						
3 Other	15,579.51					15,579.51

Schedule K—PARTNERS' SHARES OF INCOME, CREDITS, DEDUCTIONS, ETC.

1 Give name, address, and social security number of each partner. (Designate nonresident aliens, if any.) If return of partner is filed in another Internal Revenue service center, specify service center.		Profit sharing	Time devoted to business
Partner A	Altino Properties Inc. P.O. Box 359 Renton Wash 98055	1/2	Part
Partner B	Puget Timber Company P.O. Box 477 Renton, Wash 98055	1/2	Part
Partner C			
Partner D			

SCHEDULE K-1
(Form 1065)

Department of the Treasury
Internal Revenue Service

Partner's Share of Income, Credits, Deductions, etc.—1972

For calendar year 1972 or fiscal year

beginning..... 1972, ending..... 19.....
(Complete for each partner—See instructions on back of Copy C)

Copy B
(For partner)

a. Distributive share item		b. Amount	c. Form 1040 filer enter col. b amount as indicated below. All other filers (1041, 1120, etc.) enter col. b amount in corresponding line of that form.
1	Salary, interest, and ordinary income (loss)	41,000.94	Sch. E, Part III
2	Additional first-year depreciation		Sch. E, Part III
3	Dividends		Sch. B, Part I, line 1
4	Short-term capital gain (loss)		Sch. D, line 2
5	Long-term capital gain (loss)		Sch. D, line 9
6	Involuntary conversions gain (loss)—casualty and theft		Form 4797, line 1
7	Involuntary conversions gain (loss)—other		Form 4797, line 3
8	Net earnings from self-employment		Sch. SE, line 8a
9	Contributions		Sch. A, line 18
10	Expense account allowance		
11	Foreign taxes		Line 58, or Sch. A, line 16
12	Taxes paid by regulated investment company		Line 70, add words "from 1065"
13	Partnership payments to retirement plan for partners		Line 49 (See Form 4848)
14	Basis of new investment property		Form 3468, line 1(a)
	(a) 3 or more but less than 5 years		Form 3468, line 1(b)
	(b) 5 or more but less than 7 years	723.42	Form 3468, line 1(c)
	(c) 7 or more years		Form 3468, line 1(d)
	Cost of used investment property		Form 3468, line 1(e)
	(d) 3 or more but less than 5 years		Form 3468, line 1(f)
	(e) 5 or more but less than 7 years	606.18	
	(f) 7 or more years		
15	Other (specify)		(Enter on applicable lines of your return)
16	Specially allocated items:		
	(a) Short-term capital gain (loss)		Sch. D, line 2
	(b) Long-term capital gain (loss)		Sch. D, line 9
	(c) Ordinary gain (loss)		Form 4797, line 8
	(d) Other		Sch. E, Part III
17	Tax preference items:		
	(a) Accelerated depreciation real property:		
	(1) Low income rental housing		Form 4625, line 1(a)(1)
	(2) Other real property		Form 4625, line 1(a)(2)
	(b) Accelerated depreciation personal property subject to net lease		Form 4625, line 1(b)
	(c) Amortization of pollution control facilities		Form 4625, line 1(c)
	(d) Amortization of railroad rolling stock		Form 4625, line 1(d)
	(e) Amortization of on-the-job-training facilities		Form 4625, line 1(e)
	(f) Amortization of child care facilities		Form 4625, line 1(f)
	(g) Reserves for losses on bad debts of financial institutions		Form 4625, line 1(h)
	(h) Depletion		Form 4625, line 1(i)
	(i) Capital gains (losses)		
	(1) Short-term		
	(2) Long-term		

Partner's social security or employer identification number ▶ 91-0874621

Partner's name, address, and ZIP code

Altino Properties Inc.
P.O. Box 359
Renton, Wa. 98055

Enter partner's percentage of: Profit sharing ▶ 50% Time devoted to business ▶ Part %
Is partner a nonresident alien? ☐ Yes ☒ No

Partnership's identifying number ▶ 91-6116319

Partnership's name, address, and ZIP code

Quendall Terminals
P.O. Box 477
Renton, Wa. 98055

Internal Revenue Service Center where the partnership files its return ▶ Ogden, Utah

Form 1065 (7-10-77)

Any items specially allocated to the partners should be entered in line 16 of Schedule K instead of being reflected in the numbered lines of page 1 or Schedules D through I. (See General Instruction D)

Schedule D—CAPITAL GAINS AND LOSSES (See Instructions for Schedule D)**Part I Short-term capital gains and losses—assets held 6 months or less**

a. Kind of property and description (Example, 100 shares of "X" Co.)	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price	e. Cost or other basis and expense of sale	f. Gain or (loss) (d less e)
1					
2	Enter your share of net short-term gain or (loss), including specially allocated items, from other partnerships and from fiduciaries.				
3	Net short-term gain or (loss) from lines 1 and 2. Enter here and on line 4, Schedule K of Form 1065				

Part II Long-term capital gains and losses—assets held more than 6 months

4					
5	Enter your share of net long-term gain or (loss), including specially allocated items, from other partnerships and from fiduciaries.				
6	Capital gain distributions				
7	Net long-term gain or (loss) from lines 4, 5, and 6. Enter here and on line 5, Schedule K of Form 1065				

Schedule H—INCOME FROM RENTS

a. Kind and location of property	b. Amount of rent	c. Depreciation (explain in Schedule J)	d. Repairs (attach schedule)	e. Other expenses (attach schedule)
Storage Tanks - Oil Reclaiming	12,659.15			
Log Terminal	55,137.27			
Harbor Lease	1,800.00			
1 Totals	69,596.42	32,103.80	56,713.06	62,751.44
2 Net income (loss) (column b less sum of columns c, d, and e). Enter here and on page 1, line 7				82,001.88

Schedule I—BAD DEBTS (See Instruction 18)

a. Year	b. Trade notes and accounts receivable outstanding at end of year	c. Sales on account	Amount added to reserve		f. Amount charged against reserve	g. Reserve for bad debts at end of year
			d. Current year's provision	e. Recoveries		
1967						
1968						
1969						
1970						
1971						
1972						

Schedule J—DEPRECIATION (See Instruction 20) Note: If depreciation is computed by using the Class Life (ADR) System for assets placed in service after December 31, 1970, or the Guideline Class Life System for assets placed in service before January 1, 1971, you must file Form 4832 (Class Life (ADR) System or Form 5006 (Guideline Class Life System)). Except as otherwise expressly provided in income tax regulations sections 1.167(a)-11(b)(5)(vi) and 1.167(a)-12, the provisions of Revenue Procedures 62-21 and 65-13 are not applicable for taxable years ending after December 31, 1970. IF YOU NEED MORE SPACE, USE FORM 4562.

Check box if you made an election this taxable year to use ☐ Class Life (ADR) System and/or ☐ Guideline Class Life System.

a. Group and guideline class or description of property	b. Date acquired	c. Cost or other basis	d. Depreciation allowed or allowable in prior years	e. Method of computing depreciation	f. Life or rate	g. Depreciation for this year
1 Total additional first-year depreciation (do not include in items below). (Enter here and on line 2 of Schedule K)						
2 Depreciation from Form 4832						
3 Depreciation from Form 5006						
4 Other depreciation:						
Buildings						
Furniture and fixtures						
Transportation equipment						
Machinery and other equipment						
Other (specify)						
Schedule Attached		356,163.83	15,579.51	S.L.	10	32,103.80
5 Totals		356,163.83				32,103.80
6 Less amount of depreciation claimed in Schedules A and H						32,103.80
7 Balance—Enter here and on page 1, line 20						0

SUMMARY OF DEPRECIATION (Other than Additional First-Year Depreciation)

	Straight line	Declining balance	Sum of the years'-digits	Units of production	Other (specify)	Total
1 Depr. from Form 4832						
2 Depr. from Form 5006						
3 Other	32,103.80					32,103.80

U.S. Partnership Return of Income
FOR CALENDAR YEAR 1973 or other taxable year beginning

1973

A Principal business activity
(See page 6 of instructions)

*Real Estate
Operators*

B Principal product or service
(See page 6 of instructions)

*lessor of
Tangible Property*

C Enter total assets from line
13, column (D), Schedule L

Name

Quendall Terminals

Number and street

P.O. Box 477

City or town, State, and ZIP code

Renton Wa 98055

D Employer identification No.

(b) (6)

E Business Code No. (See page 6
of instructions)

6511

F County in which located

King

G Date business commenced

Jan 1971

IMPORTANT—All applicable lines and schedules must be filled in. If the lines on the schedules are not sufficient, see Instruction P.

INCOME	1	Gross receipts or sales \$	1c	
	2	Less: Cost of goods sold and/or operations (line 34, Schedule A)	2	
	3	Gross profit	3	
	4	Ordinary income (loss) from other partnerships, syndicates, etc. (attach statement)	4	
	5	Nonqualifying dividends (attach list—see Instruction 5)	5	
	6	Interest	6	
	7	Rents (Schedule H)	7	<i>(133,473 60)</i>
	8	Royalties (attach schedule)	8	
	9	Net farm profit (loss) (attach Schedule F (Form 1040))	9	
	10	Net ordinary gain (loss) (line 9, Form 4797)	10	
	11	Other income (attach schedule)	11	
	12	TOTAL income (lines 3 through 11)	12	<i>(133,473 60)</i>
DEDUCTIONS	13	Salaries and wages (other than to partners)	13	
	14	Payments to partners—Salaries and interest	14	
	15	Rent	15	
	16	Interest (attach schedule)	16	
	17	Taxes (attach schedule)	17	
	18	Bad debts (Schedule I if reserve method is used)	18	
	19	Repairs	19	
	20	Depreciation (Schedule J)	20	
	21	Amortization (attach schedule)	21	
	22	Depletion (attach schedule)	22	
	23a	Retirement plans, etc. (other than contributions made on partners' behalf—see Instruction 2a)	23a	
	23b	Employee benefit programs (see Instruction 23b)	23b	
	24	Other deductions (attach schedule)	24	
	25	TOTAL deductions (lines 13 through 24)	25	
26	Ordinary income (loss) (line 12 less line 25) (see General Instruction G)	26	<i>(133,473 60)</i>	

Schedule A—COST OF GOODS SOLD AND/OR OPERATIONS (See Instruction 2)

27	Inventory at beginning of year (if different from last year's closing inventory, attach explanation)	27	
28a	Purchases \$	28c	
29	Cost of labor	29	
30	Material and supplies	30	
31	Other costs (attach schedule)	31	
32	Total of lines 27 through 31	32	
33	Less: Inventory at end of year	33	
34	Cost of goods sold. Enter here and on line 2, above	34	

Method of inventory valuation ▶

Was there any substantial change in the manner of determining quantities, costs or valuations between the opening and closing inventories? *D.N.A.* ☐ Yes ☐ No

If "Yes," attach explanation.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. If prepared by a person other than partner or member, his declaration is based on all information of which he has any knowledge.

Altino Pury Inc. *Altino Pury* Sec.
Signature of partner or member
Wood Bldg.
Renton, Wa
Signature of preparer other than partner or member
Preparer's address
Emp. Ident. or Soc. Sec. No.

3-21-74
Date
3/20/74
Date

Note: Any items specially allocated to the partners should be entered in line 16 of Schedule K instead of being reflected in the numbered lines of page 1 or Schedules D through J. (See General Instruction O)

Schedule D—CAPITAL GAINS AND LOSSES (See Instructions for Schedule D)**Part I Short-term capital gains and losses—assets held 6 months or less**

a. Kind of property and description (Example, 100 shares of "Z" Co.)	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price	e. Cost or other basis and expense of sale	f. Gain or (loss) (d less e)
1					
2	Partnership's share of net short-term gain or (loss), including specially allocated items, from other partnerships and from fiduciaries				
3	Net short-term gain or (loss) from lines 1 and 2. Enter here and on line 4, Schedule K of Form 1065				

Part II Long-term capital gains and losses—assets held more than 6 months

4					
5	Partnership's share of net long term gain or (loss), including specially allocated items, from other partnerships and from fiduciaries				
6	Capital gain distributions				
7	Net long-term gain or (loss) from lines 4, 5, and 6. Enter here and on line 5, Schedule K of Form 1065				

Schedule H—INCOME FROM RENTS (If more space is needed Form 4831 may be used)

a. Kind and location of property	b. Amount of rent	c. Depreciation (explain in Schedule J)	d. Repairs (attach schedule)	e. Other expenses (attach schedule)
Storage Tanks - Oil	23,119.30			
Log Terminal	42,117.33			
Harbor Lease	1,800.00			
1 Totals	73,036.63	32,966.10	36,155.97	137,388.16

Schedule I—BAD DEBTS (See Instruction 18)

a. Year	b. Trade notes and accounts re- ceivable outstanding at end of year	c. Sales on account	d. Current year's provision	e. Recoveries	f. Amount charged against reserve	g. Reserve for bad debts at end of year
1968.						
1969.						
1970.						
1971.						
1972.						
1973.						

Schedule J—DEPRECIATION (See Instruction 20) If more space is needed use Form 4562. Note: If depreciation is computed by using the Class Life (ADR) System for assets placed in service after December 31, 1970, or the Guideline Class Life System for assets placed in service before January 1, 1971, file Form 4812 (Class Life (ADR) System or Form 5006 (Guideline Class Life System)). Except as otherwise expressly provided in income tax regulations sections 1.167(a)-11(b)(5)(vi) and 1.167(a)-12, the provisions of Revenue Procedures 62-21 and 65-13 are not applicable for taxable years ending after December 31, 1970.

Check box if partnership made an election this taxable year to use ☐ Class Life (ADR) System and/or ☐ Guideline Class Life System.

a. Group and guideline class or description of property	b. Date acquired	c. Cost or other basis	d. Depreciation allowed or allowable in prior years	e. Method of computing depreciation	f. Life or rate	g. Depreciation for this year
1 Total additional first-year depreciation (do not include in items below). (Enter here and on line 2 of Sch. K)						
2 Depreciation from Form 4832						
3 Depreciation from Form 5006						
4 Other depreciation:						
Buildings						
Furniture and fixtures						
Transportation equipment						
Machinery and other equipment						
Other (specify)						
Schedule Attached	Var	357,660.80	47,683.31	SL	10	32,966.10
5 Totals		357,660.80				32,966.10
6 Less amount of depreciation claimed in Schedules A and H						32,966.10
7 Balance—Enter here and on page 1, line 20						0

SUMMARY OF DEPRECIATION (Other than Additional First-Year Depreciation)

	Straight line	Declining balance	Sum of the years'-digits	Units of production	Other (specify)	Total
1 Depreciation from Form 4832						
2 Depreciation from Form 5006						
3 Other	32,966.10					32,966.10

COPY

Form **1065**Department of the Treasury
Internal Revenue Service**U.S. Partnership Return of Income**

FOR CALENDAR YEAR 1974 or other taxable year beginning

1974, and ending 19.....

1974A Principal business activity
(See page 6 of instructions)

Real Estate Operators

B Principal product or service
(See page 6 of instructions)

Lessor of

Real Property

C Enter total assets from line
13, column (D), Schedule L

\$657,048.32

Name

Quendall Terminals

Number and street

P.O. Box 477

City or town, State, and ZIP code

Renton Wa 98055

(b) (6)

D Business code no. (See page 6
of instructions)

6511

E County in which located

King

F Date business commenced

Jan 1971

IMPORTANT—Fill in all applicable lines and schedules. If the lines on the schedules are not sufficient, see Instruction P. Enter any items specially allocated to the partners on Schedule K, line 16, instead of the numbered lines on this page or in Schedules D through J. (See General Instruction O.)

INCOME		1c
1a Gross receipts or sales \$	1b Less returns and allowances \$	Balance ▶
2 Less: Cost of goods sold and/or operations (line 34, Schedule A)		
3 Gross profit		
4 Ordinary Income (loss) from other partnerships, syndicates, etc. (attach statement)		
5 Nonqualifying dividends (attach list—see Instruction 5)		
6 Interest		
7 Rents (Schedule H)		
8 Royalties (attach schedule)		
9 Net farm profit (loss) (attach Schedule F (Form 1040))		
10 Net ordinary gain (loss) (Form 4797, line 9)		
11 Other income (attach schedule)		
12 TOTAL income (lines 3 through 11)		10,349 36
DEDUCTIONS		
13 Salaries and wages (other than to partners)		
14 Payments to partners—Salaries and interest		
15 Rent		
16 Interest (attach schedule)		
17 Taxes (attach schedule)		
18 Bad debts (Schedule I if you use reserve method)		
19 Repairs		
20 Depreciation (Schedule J)		
21 Amortization (attach schedule)		
22 Depletion (attach schedule)		
23a Retirement plans, etc. (other than contributions made on partners' behalf—see Instruction 23a)		
23b Employee benefit programs (see Instruction 23b)		
24 Other deductions (attach schedule)		
25 TOTAL deductions (lines 13 through 24)		
26 Ordinary income (loss) (line 12 less line 25) (see General Instruction G)		10,349 36

Schedule A—COST OF GOODS SOLD AND/OR OPERATIONS (See Instruction 2)

27 Inventory at beginning of year (If different from last year's closing inventory, attach explanation)	27	
28a Purchases \$	28b Less cost of items withdrawn for personal use \$	Balance ▶
29 Cost of labor		
30 Material and supplies		
31 Other costs (attach schedule)		
32 Total of lines 27 through 31		
33 Less: Inventory at end of year		
34 Cost of goods sold. Enter here and on line 2, above		

Inventory valuation method ▶

Was there any substantial change in the way you determined quantities, costs or valuations between the opening and closing inventories? D. N. A. ☐ Yes ☐ No

If "Yes," attach explanation.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. If prepared by a person other than partner or member, his declaration is based on all information of which he has any knowledge.

Signature of partner or member L. L. Payne C.P.A. Wood Bldg. Renton Wa 98055 (b) (6) Date 4/7/75
Signature of preparer other than partner or member L. L. Payne Preparer's address Renton Wa 98055 Emp. Ident. or Soc. Sec. No. Date

COPY

AltinoEPA 000448

Schedule D—CAPITAL GAINS AND LOSSES (See Instructions for Schedule D)**Part I Short-term capital gains and losses—assets held 6 months or less**

a. Kind of property and description (Example, 100 shares of "X" Co.)	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price	e. Cost or other basis and expense of sale	f. Gain or (loss) (d less e)
1					
2 Partnership's share of net short-term gain or (loss), including specially allocated items, from other partnerships and from fiduciaries					
3 Net short-term gain or (loss) from lines 1 and 2. Enter here and on Schedule K (Form 1065), line 4					

Part II Long-term capital gains and losses—assets held more than 6 months

4					
5 Partnership's share of net long-term gain or (loss), including specially allocated items, from other partnerships and from fiduciaries					
6 Capital gain distributions					
7 Net long-term gain or (loss) from lines 4, 5, and 6. Enter here and on Schedule K (Form 1065), line 5					

Schedule H—INCOME FROM RENTS (If more space is needed Form 4831 may be used)

a. Kind and location of property	b. Amount of rent	c. Depreciation (explain in Schedule J)	d. Repairs (attach schedule)	e. Other expenses (attach schedule)
Storage Tanks—Oil	76,204.24			
Log Terminal	66,341.26			
Harbor Lease	450.00			
1 Totals	142,995.50	37,912.46	10,956.60	104,475.80
2 Net income (loss) (column b less total of columns c, d, and e). Enter here and on page 1, line 7				(10,349.36)

Schedule I—BAD DEBTS (See Instruction 18)

a. Year	b. Trade notes and accounts re- ceivable outstanding at end of year	c. Sales on account	Amount added to reserve		f. Amount charged against reserve	g. Reserve for bad debts at end of year
			d. Current year's provision	e. Recoveries		
1969						
1970						
1971						
1972						
1973						
1974						

Schedule J—DEPRECIATION (See Instruction 20) If more space is needed use form 4562. Note: If you compute depreciation by using the Class Life (ADR) System for assets placed in service after December 31, 1970, or the Guideline Class Life System for assets placed in service before January 1, 1971, file Form 4832 (Class Life (ADR) System or Form 5006 (Guidelines Class Life System)). Except as otherwise expressly provided in income tax regulations sections 1.167(a)-11(b)(5)(vi) and 1.167(a)-12, the provisions of Revenue Procedures 62-21 and 65-13 are not applicable for taxable years ending after December 31, 1970.Check box if partnership made an election this taxable year to use ☐ Class Life (ADR) System and/or ☐ Guideline Class Life System.

a. Group and guideline class or description of property	b. Date acquired	c. Cost or other basis	d. Depreciation allowed or allowable in prior years	e. Method of computing depreciation	f. Life or rate	g. Depreciation for this year
1 Total additional first-year depreciation (do not include in items below). (Enter here and on Sch. K, line 2)						
2 Depreciation from Form 4832						
3 Depreciation from Form 5006						
4 Other depreciation:						
Buildings						
Furniture and fixtures						
Transportation equipment						
Machinery and other equipment						
Other (specify) See						
Schedule Attached	Var.	430,980.02	80,545.86	S.L.	Var.	37,912.46
5 Totals		430,980.02				37,912.46
6 Less amount of depreciation claimed in Schedules A and H						37,912.46
7 Balance—Enter here and on page 1, line 20						

COPY Altino Properties

Form **1065**
Department of the Treasury
Internal Revenue Service

U.S. Partnership Return of Income
FOR CALENDAR YEAR 1975 or other taxable year beginning
1975, and ending 19

1975

A Principal business activity
(See page 7 of instructions)
Real Estate Operation
B Principal product or service
(See page 7 of instructions)
Lesser of Real Property

Name
Quendall Terminals

Number and street
P.O. Box 477

City or town, State, and ZIP code
Renton Wa 98055

(b) (6)

E Business code no. (see page 7 of instructions)
6511

F Date business commenced
Jan 1971

G Enter total assets from line 13, column (D), Schedule L
\$703,006.18

IMPORTANT—Fill in all applicable lines and schedules. If the lines on the schedules are not sufficient, see Instruction P. Enter any items specially allocated to the partners on Schedule K, line 15, instead of the numbered lines on this page or in Schedules D through I. (See General Instruction O.)

INCOME		1c
1a	Gross receipts or sales \$	1c
2	Less: Cost of goods sold and/or operations (line 34, Schedule A)	2
3	Gross profit	3
4	Ordinary income (loss) from other partnerships, syndicates, etc. (attach statement)	4
5	Nonqualifying dividends (attach list—see Instruction 5)	5
6	Interest	6
7	Rents (Schedule H)	7
8	Royalties (attach schedule)	8
9	Net farm profit (loss) (attach Schedule F (Form 1040))	9
10	Net ordinary gain (loss) (Form 4797, line 9)	10
11	Other income (attach schedule)	11
12	TOTAL income (lines 3 through 11)	12
DEDUCTIONS		
13	Salaries and wages (other than to partners)	13
14	Payments to partners—Salaries and interest	14
15	Rent	15
16	Interest (attach schedule)	16
17	Taxes (attach schedule)	17
18	Bad debts (Schedule I if you use reserve method)	18
19	Repairs	19
20	Depreciation (Schedule J)	20
21	Amortization (attach schedule)	21
22	Depletion (attach schedule)	22
23a	Retirement plans, etc. (other than amounts for partners—see Instruction 23a). (Enter number of plans)	23a
23b	Employee benefit programs (see Instruction 23b)	23b
24	Other deductions (attach schedule)	24
25	TOTAL deductions (lines 13 through 24)	25
26	Ordinary income (loss) (line 12 less line 25) (see General Instruction G)	26

Schedule A—COST OF GOODS SOLD AND/OR OPERATIONS (See Instruction 2)

27	Inventory at beginning of year (if different from last year's closing inventory, attach explanation)	27
28a	Purchases \$	28a
28b	Less cost of items withdrawn for personal use \$	28b
29	Cost of labor	29
30	Material and supplies	30
31	Other costs (attach schedule)	31
32	Total of lines 27 through 31	32
33	Less: Inventory at end of year	33
34	Cost of goods sold. Enter here and on line 2, above	34

Inventory valuation method

Was there any substantial change in the way you determined quantities, costs or valuations between the opening and closing inventories? **D.N.A.** ☐ Yes ☐ No
If "Yes," attach explanation.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. If prepared by a person other than partner or member, the preparer's declaration is based on all information of which the preparer has any knowledge.

Signature of partner or member **Sec Altino Properties** 3/23/76
Signature of preparer other than partner or member **C.P.A. Williams Are** 3/18/76
Preparer's address **Renton Wa 98055** Date

Schedule D—CAPITAL GAINS AND LOSSES (See Instructions for Schedule D)**Part I Short-term capital gains and losses—assets held 6 months or less**

a. Kind of property and description (Example, 100 shares of "Z" Co.)	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price	e. Cost or other basis and expense of sale	f. Gain or (loss) (d less e)
1					
2 Partnership's share of net short-term gain or (loss), including specially allocated items, from other partnerships and from fiduciaries					
3 Net short-term gain or (loss) from lines 1 and 2. Enter here and on Schedule K (Form 1065), line 4					

Part II Long-term capital gains and losses—assets held more than 6 months

4					
5 Partnership's share of net long-term gain or (loss), including specially allocated items, from other partnerships and from fiduciaries					
6 Capital gain distributions					
7 Net long-term gain or (loss) from lines 4, 5, and 6. Enter here and on Schedule K (Form 1065), line 5					

Schedule H—INCOME FROM RENTS

a. Kind and location of property	b. Amount of rent	c. Depreciation (explain in Schedule J)	d. Repairs (attach schedule)	e. Other expenses (attach schedule)
Storage Tanks - Oil	28,080.00	41,067.82	5,774.58	93,069.48
Log Terminal	79,136.79			
1 Totals	98,216.79	41,067.82	5,774.58	93,069.48
2 Net income (loss) (column b less total of columns c, d, and e). Enter here and on page 1, line 7				41,695.09

Schedule I—BAD DEBTS (See Instruction 18)

a. Year	b. Trade notes and accounts re- ceivable outstanding at end of year	c. Sales on account	Amount added to reserve		f. Amount charged against reserve	g. Reserve for bad debts at end of year
			d. Current year's provision	e. Recoveries		
1970						
1971						
1972						
1973						
1974						
1975						

Schedule J—DEPRECIATION (See Instruction 20)

If more space is needed use Form 4562. Note: If you compute depreciation by using the Class Life (ADR) System for assets placed in service after December 31, 1970, or the Guideline Class Life System for assets placed in service before January 1, 1971, file Form 4832 (Class Life (ADR) System or Form 5006 (Guideline Class Life System)). Except as otherwise expressly provided in income tax regulations sections 1.167(a)-11(b)(5)(vi) and 1.167(a)-12, the provisions of Revenue Procedures 62-21 and 65-13 are not applicable for taxable years ending after December 31, 1970.

Check box if partnership made an election this taxable year to use ☐ Class Life (ADR) System and/or ☐ Guideline Class Life System.

a. Group and guideline class or description of property	b. Date acquired	c. Cost or other basis	d. Depreciation allowed or allowable in prior years	e. Method of computing depreciation	f. Life or rate	g. Depreciation for this year
1 Total additional first-year depreciation (do not include in items below). (Enter here and on Sch. K, line 2)						
2 Depreciation from Form 4832						
3 Depreciation from Form 5006						
4 Other depreciation:						
Buildings						
Furniture and fixtures						
Transportation equipment						
Machinery and other equipment						
Other (specify)						
See Schedule Attached	Var	444,141.62	118,021.60	S.L.	Var	41,067.82
5 Totals		444,141.62				41,067.82
6 Less amount of depreciation claimed in Schedules A and H						41,067.82
7 Balance—Enter here and on page 1, line 20						-0-